

## REPORT TO IMPROVEMENT AUTHORITY

**DATE:** MARCH 13, 2024

**TO:** HONORABLE PRESIDENT AND MEMBERS OF THE IMPROVEMENT AUTHORITY

**FROM:** NATHAN HAMBURGER, CITY MANAGER

**BY:** J. DIEGO IBAÑEZ, DIRECTOR OF FINANCE

**SUBJECT:** A RESOLUTION OF THE AGOURA HILLS IMPROVEMENT AUTHORITY AUTHORIZING AGOURA HILLS IMPROVEMENT AUTHORITY LEASE REVENUE BONDS, SERIES 2024A; AND AGOURA HILLS IMPROVEMENT AUTHORITY LEASE REVENUE REFUNDING BONDS, SERIES 2024B; AND AUTHORIZING AND RATIFYING THE SALE OF SAID 2024 BONDS AND EXECUTION OF THE BOND PURCHASE AGREEMENT IN CONNECTION THEREWITH AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO

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On February 22, 2024, the Agoura Hills Improvement Authority (Authority) successfully priced \$12,325,000 in Series A Bonds and \$2,575,000 in Series B Bonds for a total of \$14,900,000 in 2024 Bonds. The Bonds were rated AA+. The all-in-true interest cost was 3.66%. The Series A Bonds sold in the amount of \$12,325,000 were sold to fund the Ladyface Greenway Project and the Series B bonds sold in the amount of \$2,575,000 were sold to refund the Authority's Series 2013 Community Center Bonds. Net present value savings totaled \$411,348 and cashflow savings totaled \$964,259. The Bonds are scheduled to be issued on March 21, 2024.

The Series A Bonds will be repaid from grants. Originally, the Authority had planned to sell the Series A Bonds with a 2029 five-year early bond redemption option. Due to favorable bond market conditions the Authority was able to shorten the optional redemption by two years to 2027 years. This will allow the Authority to redeem bonds earlier if the project is completed on schedule and grant funds are received. This should significantly reduce interest costs.

At the February 14, 2024, Authority meeting, the Authority approved a not to exceed bond authorization for the Series A Bonds of \$12,300,000 and \$3,000,000 for the Series B Bonds. In total the bond authorization was \$15,300,000. In aggregate \$14,900,000 in Bonds were sold (\$400,00 less than the total authorization). However, the authorization approved on February 14, 2024, for the Series A Bonds was exceeded by \$25,000.

After the bonds were priced and the final bond schedules were distributed to the entire financing team, bond counsel identified the issue of \$25,000 authorization. The not to exceed authorization of \$12,300,000 was originally based on an estimate provided by the municipal advisor and bond underwriter.

However, the financial advisor recommended keeping pricing as is due to the financial advantages to the City. During the bond pre-pricing and pricing, it became possible to lower many of the bond coupons from 4% to 3%. This reduction in bond coupons considerably lowered the interest cost to the City through the bond call date and was a very favorable development that benefited the City since interest cost is not reimbursable from grants. It also increased the amount of bonds issued by lowering the premium on the bonds. Higher coupon bonds are priced at premiums.

The financing team consulted with bond counsel and the city attorney, and it was determined that the City Manager had the authorization to approve the additional \$25,000 and could therefore sign the bond purchase agreement awarding the bonds to the underwriter. The alternative would have been for the bond underwriter to go back to certain investors and offer higher bond coupons on their bond maturities. The higher interest rate coupons would have changed the price of the bonds thereby eliminating the \$25,000 issue while also increasing interest cost and debt service to the City. The City's financing team believed the City had negotiated very favorable terms.

The Improvement Authority resolution adopted on February 14, 2024 authorized the City Manager to execute the Bond Purchase Agreement with such changes as the City Manager may approve, and also authorized the City Manager to do any and all things he deems necessary or advisable in order to consummate the sale, issuance and delivery of the 2024 Bonds, or otherwise to effectuate the purposes of such Resolution. In addition, due to the City Manager's general purchasing authority of up to \$25,000, the City Manager felt comfortable executing such Bond Purchase Agreement with the intent that the Council ratify such Bond Purchase Agreement at a future Council meeting. Therefore, it is recommended that the Improvement Authority ratify the City Manager's execution of the bond purchase agreement prior to delivery of the bonds on March 21, 2024. Staff requests that Improvement Authority approve the Resolution.

#### **FISCAL IMPACT**

Approving the resolution ratifies the Bond Purchase Agreement and the official statement the terms of the Series A Bond sale. During the bond sale, the Authority was able to reduce interest cost on the bonds to bond coupon rates lower than originally expected and was able to shorten the bond redemption period by two years. If the Improvement Authority does not ratify the Bond Purchase Agreement and the additional \$25,000 in issuance, the City will need to renegotiate the terms of the bonds with the bond underwriter prior to the bond closing on March 21, 2024. The underwriter will have to work this out with its investors. This will increase interest costs to the City and may also impact the earlier bond redemption features.

#### **RECOMMENDATION**

Staff recommends that the Improvement Authority ratify the bond sale and execution of the Bond Purchase Agreement authorizing the issuance of \$12,325,000 in Series A Bonds, as well as the official statement. While this action increases the Series A

authorization by \$25,000, in aggregate the amount of Series A and B bonds issued is \$400,000 less than the originally approved combined authorization of \$15,300,000.

Attachments: Resolution No. IA24-06A  
Exhibit A – Bond Purchase Agreement  
Exhibit B – Official Statement

RESOLUTION NO. IA24-06A

A RESOLUTION OF THE AGOURA HILLS IMPROVEMENT AUTHORITY AUTHORIZING AGOURA HILLS IMPROVEMENT AUTHORITY LEASE REVENUE BONDS, SERIES 2024A; AND AGOURA HILLS IMPROVEMENT AUTHORITY LEASE REVENUE REFUNDING BONDS, SERIES 2024B; AND AUTHORIZING AND RATIFYING THE SALE OF SAID 2024 BONDS AND EXECUTION OF THE BOND PURCHASE AGREEMENT IN CONNECTION THEREWITH AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO

RECITALS:

WHEREAS, the Agoura Hills Improvement Authority (the "**Authority**") is a joint powers authority duly organized and existing under and pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "**Act**") and that certain Joint Exercise of Powers Agreement, dated as of July 1, 2013, by and between the City of Agoura Hills (the "**City**") and the Agoura Hills Parking Authority;

WHEREAS, the Authority is authorized pursuant to Article 4 of the Act to issue bonds for the purpose of financing and refinancing public capital improvements;

WHEREAS, pursuant to an Indenture, dated as of November 1, 2016 (the "**Master Indenture**"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as predecessor trustee to U.S. Bank Trust Company, National Association (the "**Trustee**"), the Authority previously issued its \$10,055,000 aggregate principal amount of Lease Revenue Refunding Bonds, Series 2016, currently outstanding in the amount of \$8,285,000 (the "**2016 Bonds**"), in order to refund the Agoura Hills Financing Authority Lease Revenue Refunding Bonds, Series 2007;

WHEREAS, the Authority proposes to issue its Lease Revenue Bonds, Series 2024A (the "**2024A Bonds**"), in order to finance the costs of construction of the City's linear greenway project, known as "Ladyface Greenway" (the "**Project**");

WHEREAS, the Authority proposes to issue its Lease Revenue Refunding Bonds, Series 2024B (the "**2024B Bonds**") and together with the 2024A Bonds, the "**2024 Bonds**"), in order to refund the Authority's Lease Revenue Bonds, Series 2013, currently outstanding in the amount of \$2,930,000 (the "**2013 Bonds**"); and will enter into an Escrow Agreement in connection therewith, as well as a Memorandum Regarding Termination of 2013 Lease, Sublease and Assignment Agreement;

WHEREAS, the 2024 Bonds will be issued on a parity with the 2016 Bonds, pursuant to the Master Indenture, as supplemented by a First Supplemental Indenture, dated as of March 1, 2024, between the Authority and the Trustee;

WHEREAS, on February 14, 2024, the City Council of the City (the "**City Council**") adopted Resolution No. 24-2056, in which the City Council: (i) approved the issuance of

the 2024 Bonds after making a finding, after a duly noticed public hearing pursuant to Section 6586.5 of the Government Code, that the issuance of the 2024 Bonds will result in significant public benefits to the constituents of the City; (ii) authorized the Mayor (or in the Mayor's absence, the Mayor Pro Tem), and the City Manager (or in the City Manager's absence, the Assistant City Manager) (each, an "Authorized Officer") to execute documents in connection with the issuance of the 2024 Bonds, including a Bond Purchase Agreement between the City, the Authority and Raymond James & Associates, Inc., as underwriter, with such changes as the Authorized Officer executing the Bond Purchase Agreement may approve; and (iii) authorized the Authorized Officers to do any and all things, to execute and deliver any and all documents that they may deem necessary or advisable in order to consummate the sale, issuance and delivery of the 2024 Bonds, or otherwise to effectuate the purposes of such Resolution;

WHEREAS, on February 14, 2024, the Authority adopted **Resolution No. IA24-06**, concurring with the City Council findings of significant public benefit and authorizing the issuance and sale of the 2024A Bonds up to \$12,300,000 in aggregate principal amount, and the 2024B Bonds up to \$3,000,000 in aggregate principal amount; and

WHEREAS, on February 22, 2024, the 2024 Bonds priced and at the recommendation of the City's financial advisor, Columbia Capital Management, LLC, the City Manager of the City/Chief Administrative Officer of the Authority deemed it to be in the best interests of the City to authorize the sale of the 2024A Bonds in the increased aggregate principal amount of \$12,325,000 and the 2024B Bonds in the aggregate principal amount of \$2,575,000, and executed the Bond Purchase Agreement on behalf of the City and the Authority in connection therewith.

NOW, THEREFORE, THE AGOURA HILLS IMPROVEMENT AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. The above recitals, and each of them, are true and correct.

Section 2. Continued Acknowledgement of City Council Findings of Significant Public Benefit. The Authority Commission hereby continues to acknowledge and concur with the City Council's previous findings of significant public benefit and the issuance and sale of the 2024 Bonds.

Section 3. Authorization to Issue 2024 Bonds. The Authority hereby approves and authorizes the issuance and sale of the 2024A Bonds in the increased aggregate principal amount of \$12,325,000 and the 2024B Bonds in the aggregate principal amount of \$2,575,000.

Section 4. Ratification of Bond Purchase Agreement. The Authority Commission hereby approves and ratifies the Bond Purchase Agreement, executed on February 22, 2024, by and among the City, the Authority and Raymond James & Associates, Inc., as underwriter, attached hereto as Exhibit A.

Section 5. Official Statement. The Authority Commission hereby approves and ratifies the execution and delivery of the Official Statement, dated February 22, 2024, executed by the City and the Authority attached hereto as Exhibit B.

Section 6. Other Acts. The Authorized Officers and all other officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents that they may deem necessary or advisable in order to consummate the sale, issuance and delivery of the 2024 Bonds, or otherwise to effectuate the purposes of this Resolution, the documents approved hereby and by Resolution No. IA24-06, and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 7. Effective Date. This Resolution shall take effect immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED** this 13th day of March, 2024, by the following vote to wit:

AYES:            (  
NOES:            (  
ABSTAIN:        (  
ABSENT:         (  
                    )

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Illece Buckley Weber, President

ATTEST:

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Kimberly M. Rodrigues, Authority Secretary

**EXHIBIT A**  
**BOND PURCHASE AGREEMENT**

**\$12,325,000**  
**AGOURA HILLS IMPROVEMENT AUTHORITY**  
**LEASE REVENUE BONDS, SERIES 2024A**

**\$2,575,000**  
**AGOURA HILLS IMPROVEMENT AUTHORITY**  
**LEASE REVENUE REFUNDING BONDS, SERIES 2024B**

**BOND PURCHASE AGREEMENT**

February 22, 2024

Agoura Hills Improvement Authority  
30001 Ladyface Court  
Agoura Hills, California 91301

City of Agoura Hills  
30001 Ladyface Court  
Agoura Hills, California 91301

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the “*Underwriter*”) hereby offers to enter into this Bond Purchase Agreement (the “*Bond Purchase Agreement*”) with the Agoura Hills Improvement Authority (the “*Authority*”), a joint exercise of powers entity duly organized and existing under the laws of the State of California (the “*State*”), and the City of Agoura Hills (the “*City*”), a municipal corporation duly organized and existing under the laws of the State, which upon written acceptance of this offer will be binding upon the Authority, the City, and the Underwriter. This offer is made subject to the written acceptance of the Authority and the City on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City.

Capitalized terms used and not defined herein shall have the same meanings as set forth in the Indenture, dated as of November 1, 2016, as amended by the First Supplemental Indenture, dated as of March 1, 2024 (collectively, the “*Indenture*”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”).

**Section 1. Purchase and Sale of the Bonds**

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$12,325,000 aggregate principal amount of the Authority’s Lease Revenue Bonds, Series 2024A (the “*2024A Bonds*”) and \$2,575,000 aggregate principal amount of the Authority’s Lease Revenue Refunding Bonds, Series 2024B (the “*2024B Bonds*,” and together with the 2024A Bonds, the “*Bonds*”). The Bonds will bear interest at the rates and will mature on the dates as set forth on Schedule I attached hereto, and will be subject to redemption as provided in the Indenture. The purchase price for the 2024A Bonds shall be \$12,185,987.48, being the principal amount of the 2024A Bonds, less net original issue discount of \$81,302.60, and less an Underwriter’s discount of \$57,709.92. The purchase price for the 2024B Bonds shall be \$2,743,016.38,



being the principal amount of the 2024B Bonds, plus original issue premium of \$180,648.10, and less an Underwriter's discount of \$12,631.72.

(b) The Authority and the City each acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Authority and the City, on one hand, and the Underwriter, on the other; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Authority or the City; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the Authority or the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Authority or the City on other matters) nor has it assumed any other contractual obligation to the Authority or the City except the obligations expressly set forth in this Bond Purchase Agreement; (iv) the Underwriter has financial and other interests that differ from those of the Authority and the City; and (v) the Authority and the City have each consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

(c) The Bonds are being issued as "Additional Bonds" (as defined in the Indenture), and will be payable from Revenues on a parity basis with the Authority's outstanding Lease Revenue Refunding Bonds, Series 2016 (the "2016 Bonds").

## **Section 2. Description and Purpose of the Bonds**

(a) The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in the Indenture.

(b) The Bonds are authorized to be issued pursuant to the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the "*Act*"). The Bonds are limited obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from and secured by a pledge, charge and lien upon the Revenues (as defined in the Indenture), which are derived from Base Rental payments and other payments made by the City and received by the Authority, and all interest or other investment income thereon, pursuant to the Sublease Agreement, dated as of November 1, 2016, as amended and supplemented by the First Amendment to Sublease, dated as of March 1, 2024 (collectively, the "*Sublease*"), by and between the Authority and the City, and certain other moneys and securities held by the Trustee as provided in the Indenture.

(c) The proceeds of the 2024A Bonds will be used to: (i) finance the cost of the City's linear park known as the Ladyface Greenway project; and (ii) pay the costs incurred with the issuance and sale of the 2024A Bonds. The proceeds of the 2024B Bonds will be used to: (i) refund the Authority's Lease Revenue Bonds, Series 2013 (the "2013 Bonds"); and (ii) pay the costs incurred with the issuance and sale of the 2024B Bonds.

## **Section 3. Public Offering**

The Underwriter agrees to make a bona fide public offering of all the Bonds initially at the public offering prices (or yields) set forth on Schedule I attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Schedule I. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

#### **Section 4. Delivery of Official Statement; Continuing Disclosure**

(a) The Authority and the City have delivered or caused to be delivered to the Underwriter prior to the execution of this Bond Purchase Agreement, copies of the preliminary official statement with respect to the Bonds, dated February 15, 2024 (the "*Preliminary Official Statement*"). Such Preliminary Official Statement is the official statement deemed final by the Authority and the City for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "*Rule*") and approved by the Authority and the City for distribution by the Underwriter by the Authority Resolution and the City Resolution (each as defined herein). As authorized by the Authority Resolution and the City Resolution, the Authority and the City hereby ratify and confirm their authorization of the use by the Underwriter before the date hereof of the Preliminary Official Statement.

(b) Within seven (7) business days from the date hereof, and in any event not later than two business days prior to the Closing Date, the Authority and the City shall deliver to the Underwriter a final Official Statement, executed on behalf of the City by authorized representatives of the City and on behalf of the Authority by authorized representatives of the Authority, which shall include information permitted to be omitted from the Preliminary Official Statement by paragraph (b)(1) of the Rule and with such other amendments or supplements as shall have been approved by the Authority, the City and the Underwriter (the "*Final Official Statement*") and such additional conformed copies thereof as the Underwriter may reasonably request to meet potential customer requests for copies of the Final Official Statement to comply with the Rule and rules of the Municipal Securities Rulemaking Board (the "*MSRB*"). It is acknowledged by the Authority and the City that the Underwriter may deliver the Preliminary Official Statement and a Final Official Statement electronically over the internet and in printed paper form. For purposes of this Bond Purchase Agreement, the printed paper form of the Preliminary Official Statement and the Final Official Statement are deemed controlling. The Underwriter agrees to file a copy of the Final Official Statement, including any supplements prepared by the City, with the MSRB on its Electronic Municipal Markets Access ("*EMMA*") system. The Final Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by the Rule, the Authority and the City shall only make such other additions, deletions, revisions and recent developments in the Final Official Statement as shall be approved by the Underwriter. The Underwriter hereby agrees to cooperate and assist in the preparation of the Final Official Statement. The Authority and the City hereby agree to deliver to the Underwriter an electronic copy of the Final Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission ("*SEC*"). The Authority and the City hereby authorize the Underwriter to use the Final Official Statement and the information contained therein in connection with the offering and sale of the Bonds. The Final Official Statement, including the cover pages, the appendices thereto and all information incorporated therein by reference are hereinafter referred collectively to as the "*Official Statement*."

(c) To enable the Underwriter to comply with the Rule, the City will execute a Continuing Disclosure Agreement concurrently with issuance of the Bonds substantially in the form attached as Appendix E to the Official Statement (the "*Continuing Disclosure Agreement*").

#### **Section 5. Closing**

At 8:30 a.m. California time on March 21, 2024, or such other time as shall be agreed upon by the Underwriter, the Authority and the City (the "*Closing Date*"), the City will deliver or cause to be delivered to the Underwriter at the offices of Richards Watson Gershon, A Professional Corporation, bond counsel to the Authority ("*Bond Counsel*") in Los Angeles, California (or such other location as may be designated by the Underwriter and approved by the Authority and the City) the closing documents hereinafter mentioned and, through the facilities of The Depository Trust Company, the Bonds in the form of registered

book-entry bonds evidenced by one certificate for each maturity, interest rate and series of Bonds (which may be typewritten) in denominations of \$5,000 or any multiple thereof, duly executed by the Authority and authenticated by the Trustee, and subject to the terms and conditions hereof the Underwriter will accept delivery of the Bonds in book-entry form, and the Underwriter will pay the purchase price of the Bonds set forth in Section 1 by Federal Funds wire (such delivery and payment being herein referred to as “Closing”).

#### **Section 6. Representations, Warranties and Agreements of the Authority**

The Authority represents, warrants and covenants with the Underwriter that:

(a) the Authority is a joint exercise of powers entity duly organized and existing under the laws of the State with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Bond Purchase Agreement, the Indenture, the Sublease, the Lease Agreement, dated as of November 1, 2016 (the “Lease”), by and between the City and the Authority, the Escrow Agreement, dated as of March 1, 2024, by and among the Authority, the City and U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”), the Assignment Agreement, dated as of November 1, 2016, by and between the Authority and the Trustee, and the Bonds (collectively, the “Authority Legal Documents”), and to carry out and consummate all transactions contemplated by each of the aforesaid documents and the Official Statement, and compliance with the provisions of the Authority Legal Documents will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the Authority is a party or it or any of its assets may be otherwise subject;

(b) Resolution adopted by the Authority on February 14, 2024 approving and authorizing the issuance of the Bonds and the execution and delivery by the Authority of the Authority Legal Documents (dated as of March 1, 2024) and the preparation and distribution of the Preliminary Official Statement and the Official Statement (the “Authority Resolution”) was duly adopted at a regular meeting of the governing board of the Authority called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed;

(c) when delivered by the Authority and paid for by the Underwriter in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed and delivered and will constitute the valid and binding limited obligations of the Authority in conformity with, and entitled to the benefit and security of, the Indenture;

(d) the Authority has duly authorized and approved the issuance of the Bonds and the execution and delivery of the Authority Legal Documents and when executed and delivered, the Authority Legal Documents, assuming due authorization, execution and delivery by the other respective parties thereto, as applicable, will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally;

(e) at the date hereof and as of the Closing Date, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the Authority will be in compliance with the covenants and agreements contained in the Authority Legal Documents, and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(f) the Authority will comply with the requirements of the Tax Certificate executed by the Authority in connection with the delivery of the Bonds;

(g) any certificate signed by any officer of the Authority and delivered to the Underwriter pursuant to the Authority Legal Documents or any document contemplated hereby or thereby shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(h) the Indenture creates a valid pledge of and grant of a first, direct and exclusive charge and lien on the Revenues (as defined in the Indenture) purported to be pledged thereby, subject to no prior pledges, liens or security interests;

(i) the information under the headings "THE AUTHORITY" and "ABSENCE OF LITIGATION" in the Preliminary Official Statement as of its date and as of the date hereof, and in the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Official Statement contains and up to and including the Closing will contain no misstatement of any material fact and does not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading;

(j) the Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not affect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds;

(k) as of the time of acceptance hereof and as of the time of the Closing, to the best of its knowledge, the Authority is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or it or any of its assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach or default would materially adversely affect the security of the Bonds or the Authority's performance under the Authority Legal Documents; and, as of such times, except as disclosed in the Preliminary Official Statement and the Official Statement, the authorization, execution and delivery of the Authority Legal Documents and the Bonds and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may

be provided by the Bonds and the Authority Legal Documents; and

(l) as of the time of acceptance hereof and the Closing, except as disclosed in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending (notice of which has been properly served on and received by the Authority) or, to the best of the Authority's knowledge after reasonable investigation, threatened (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, the Authority Legal Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from gross income for Federal income tax purposes or contesting the powers of the Authority or its authority to issue the Bonds; (iii) which may result in any material adverse change relating to the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

All representations, warranties and agreements of the Authority shall remain operative and in full force and effect, regardless of any investigations made by or on the Underwriter's behalf, and shall survive the delivery of the Bonds.

**Section 7. Representations, Warranties and Agreements of the City**

The City represents, warrants and covenants with the Underwriter that:

(a) the City is a municipal corporation duly organized and existing under the laws of the State;

(b) the City has full legal right, power and authority to execute, deliver and perform its obligations, as the case may be, under this Bond Purchase Agreement, the Sublease, the Lease, the Escrow Agreement and the Continuing Disclosure Agreement (collectively, the "*City Legal Documents*") and to carry out and consummate all transactions contemplated by each of the aforesaid documents and the Official Statement, and compliance with the provisions of the City Legal Documents will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the City is a party or it or any of its assets may be otherwise subject;

(c) the Resolution adopted by the City Council of the City on February 14, 2024 approving and authorizing the execution and delivery by the City of the City Legal Documents (dated as of March 1, 2024) and the preparation and distribution of the Preliminary Official Statement and the Official Statement (the "*City Resolution*") was duly adopted at a meeting of the City Council of the City called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed;

(d) prior to adoption of the City Resolution, the City Council held a duly noticed public hearing as required by Section 6586.5 of the Act;

(e) by adoption of the City Resolution, the City has duly authorized and approved the execution and delivery by the City of the City Legal Documents and when executed and delivered, the City Legal Documents, assuming due authorization, execution and delivery by the other respective parties thereto, as applicable, will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(f) at the date hereof and as of the Closing Date, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the City will be in compliance with the covenants and agreements contained in the City Legal Documents, and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(g) the City will comply with the requirements of the Tax Certificate executed by the City in connection with the delivery of the Bonds;

(h) any certificate signed by any officer of the City and delivered to the Underwriter pursuant to the City Legal Documents or any document contemplated hereby or thereby shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(i) to the best knowledge of the City there is no public vote or referendum pending or proposed, the results of which could materially adversely affect the transactions contemplated by the City Legal Documents or the Official Statement or the validity or enforceability of the Bonds;

(j) the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Official Statement contains and up to and including the Closing will contain no misstatement of any material fact and does not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (excluding therefrom the information relating to DTC and its book-entry only system and under the caption "UNDERWRITING," as to which no representations or warranties are made);

(k) the City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not affect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds;

(l) as of the time of acceptance hereof and as of the time of the Closing, to the best of its knowledge, the City is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument relating to the City to which the City is a party or any of its assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach or default would materially adversely affect the security of the Bonds or the City's performance under the City Legal Documents; and, as of such times, except as disclosed in the Preliminary Official Statement and the Official Statement, the authorization, execution and delivery of the City Legal Documents and the Bonds and

compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other instrument relating to the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Bonds and the City Legal Documents;

(m) as of the time of acceptance hereof and the Closing, except as disclosed in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending (notice of which has been properly served on and received by the City) or, to the best of the City's knowledge after reasonable investigation, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged by the Authority to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, the City Legal Documents or the consummation of the transactions contemplated thereby or hereby; (iii) which may result in any material adverse change relating to the City; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence;

(n) for purposes of the Rule, the City has heretofore deemed final the Preliminary Official Statement prior to its use and distribution by the Underwriter, except for the information specifically permitted to be omitted by paragraph (b)(1) of the Rule;

(o) except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the City has not previously failed to comply in any material respect with any continuing disclosure obligation undertaken pursuant to the Rule; and

(p) except for information which is permitted to be omitted pursuant to the Rule, the Preliminary Official Statement is, as of its date and as of the date hereof (excluding therefrom the information relating to DTC and its book-entry only system, and under the caption "UNDERWRITING," as to which no representations or warranties are made) was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

All representations, warranties and agreements of the City shall remain operative and in full force and effect, regardless of any investigations made by or on the Underwriter's behalf, and shall survive the delivery of the Bonds.

#### **Section 8. Conditions to the Obligations of the Underwriter**

The Underwriter hereby enters into this Bond Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein and the representations and

warranties to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the Authority, the City and the Trustee of their respective obligations both on and as of the date hereof. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy of the representations and warranties of the Authority and the City contained herein as of the date hereof and as of the Closing Date, to the accuracy of the statements of the officers and other officials of the Authority, the City and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the Authority, the City and the Trustee of their respective obligations to be performed hereunder and under the Authority Legal Documents and the City Legal Documents to which it is a party at or prior to the date hereof and at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) On the Closing Date, the Authority Legal Documents shall have been duly authorized, executed and delivered by the Authority and the City Legal Documents shall have been duly authorized, executed and delivered by the City, all in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and shall be in full force and effect; and there shall be in full force and effect such resolutions of the governing board of the Authority and the City Council of the City as, in the opinion of the Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(b) On the Closing Date, all necessary action of the Authority and the City relating to the issuance and sale of the Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented;

(c) On or prior to the Closing Date, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) Authority Agreements, Authority Resolution, and Joint Powers Agreement. The Authority Agreements, each duly executed and delivered by the respective parties thereto, and certified copies of the Authority Resolution and the Joint Exercise of Powers Agreement, as amended, between the City and the Agoura Hills Parking Authority (the "Joint Powers Agreement");

(ii) City Agreements and City Resolution. The City Agreements, each duly executed by the respective parties thereto, and a certified copy of the City Resolution (defined herein);

(iii) Official Statement. A copy of the Official Statement, executed by an authorized officer of the Authority and of the City;

(iv) Opinion of Bond Counsel. The approving opinion, dated the date hereof and addressed to the Authority, of Bond Counsel in substantially the form of Appendix B to the Official Statement;

(v) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel addressed to the Underwriter in form and substance acceptable to the Underwriter, and dated the date of the Closing substantially in the form attached as Exhibit B;

(vi) Letter of Disclosure Counsel. A letter of Richards Watson Gershon, A Professional Corporation, as Disclosure Counsel, dated the Closing Date, and addressed to the Underwriter, the Authority and the City substantially in the form attached hereto as Exhibit C;



(vii) Defeasance Opinion of Bond Counsel. A defeasance opinion letter of Bonds Counsel addressed to the Underwriter and the trustee for the 2013 Bonds in form and substance acceptable to the Underwriter;

(viii) Opinion of Authority Counsel. An opinion of the City Attorney, as Counsel to the Authority dated the Closing Date and addressed to the Underwriter, in form and substance similar to the opinion of City Attorney set forth in (ix) below;

(ix) Opinion of the City Attorney. An opinion of the City Attorney to the City dated the Closing Date and addressed to the Underwriter, substantially in the form attached as Exhibit D;

(x) Opinion of Underwriter's Counsel. The opinion of Best Best & Krieger LLP ("Underwriter's Counsel"), dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(xi) Certificate of the Authority. A certificate of the Authority, dated the Closing Date, to the effect that:

(a) by all necessary official action of the Authority, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations contained in the Authority Legal Documents, and as of the date of Closing, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded;

(b) when executed and delivered, the Authority Legal Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(c) the Authority has complied, and will at the Closing be in compliance in all respects, with the terms of the Authority Legal Documents;

(d) the representations, warranties and covenants of the Authority contained herein are true and correct in all materials respects on and as of the date of Closing as if made on the date of Closing and the Authority has complied with all of the terms and conditions of this Bond Purchase Agreement required to be complied with by the Authority at or prior to the Closing Date;

(e) no event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(f) except as otherwise disclosed in the Official Statement and to the best knowledge of such signing officer after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending (notice of which has been properly served on and received by the Authority) or threatened against the Authority, challenging the creation, organization or existence of the Authority, or the validity of the Authority Legal Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the

validity of the Authority Legal Documents or contesting the authority of the Authority to enter into or perform its obligations under any of the Authority Legal Documents, or under which a determination adverse to the Authority would have a material adverse effect upon the financial condition or the revenues of the Authority;

(xii) Certificate of the City. A certificate of the City, dated the Closing Date, to the effect that:

(a) by all necessary official action of the City, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained in the City Legal Documents, and as of the date of Closing, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded;

(b) when executed and delivered, the City Legal Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(c) the City has complied, and will at the Closing be in compliance in all respects, with the terms of the City Legal Documents;

(d) the representations, warranties and covenants of the City contained herein are true and correct in all materials respects on and as of the date of Closing as if made on the date of Closing and the City has complied with all of the terms and conditions of this Bond Purchase Agreement required to be complied with by the City at or prior to the Closing Date;

(e) no event affecting the City has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(f) except as otherwise disclosed in the Official Statement and to the best knowledge of such signing officer after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending (notice of which has been properly served on and received by the City) or threatened against the City, challenging the creation, organization or existence of the City, or the validity of the City Legal Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the City Legal Documents or contesting the City of the City to enter into or perform its obligations under any of the City Legal Documents, or under which a determination adverse to the City would have a material adverse effect upon the financial condition or the revenues of the City;

(xiii) Certificate of the Trustee. A certificate of a duly authorized official of the Trustee, dated the Closing Date, to the effect that: (A) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter; (B) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the Indenture; (C) when

delivered to and paid for by the Underwriter at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (D) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (E) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriter;

(xiv) General Resolution of the Trustee. A certified copy of the general resolution of the Trustee authorizing the execution and delivery of the Indenture;

(xv) Opinion of Counsel to the Trustee. The opinion, dated the Closing Date and addressed to the Underwriter and the City, of Counsel to the Trustee, to the effect that: (A) the Trustee has been duly organized as a national banking association under the laws of the United States with trust powers, having full power and authority to enter into and to perform its duties as Trustee under the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture, and by all proper corporate action has authorized the acceptance of the trusts of the Indenture; (C) the Indenture constitutes the legally valid and binding agreement of the Trustee, enforceable against the Trustee in accordance with its terms, and (D) the Bonds have been validly authenticated and delivered by the Trustee to the Underwriter;

(xvi) Certificate/General Resolution/Opinion of Counsel of the Escrow Agent. A certificate, general resolution and opinion of counsel of the Escrow Agent, dated the Closing Date, in form and substance similar to the certificate, resolution and opinion set forth in (xiii), (xiv) and (xv) above;

(xvii) Tax Certificate. A Tax Certificate of the Authority and the City in form and substance acceptable to Bond Counsel;

(xviii) Evidence of Insurance. Evidence of insurance on the Leased Property as required by Section 8 of the Sublease;

(xix) Title Insurance. A copy of the pro forma title insurance policy committed to be issued by the title insurance company;

(xx) IRS Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing;

(xxi) CDIAC Notices of Sale. A copy of the Notice of Proposed Sale and Report of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(g) of the California Government Code;

(xxii) DTC Blanket Letter of Representations. A copy of the Authority's executed Blanket Letter of Representation to The Depository Trust Company;

(xxiii) Rating Letter. Evidence of a rating of "AA+" by S&P Global Ratings, being in full force and effect as of the Closing Date;

(xxiv) Section 3.04 Certificate. A certificate of the Authority, dated the Closing Date, in compliance with Section 3.04 of the Indenture;

(xxv) Opinion of Bond Counsel. An opinion of Bond Counsel, dated the Closing Date, that satisfies the requirements of Section 3.04 of the Indenture; and

(xxvi) Additional Documents. Such additional legal opinions, certificates, instruments or evidences thereof and other documents as the Counsel to the Underwriter or Bond Counsel may request to evidence the due authorization, execution and delivery of the Bonds and the conformity of the Bonds, the Authority Legal Documents and the City Legal Documents with the terms of the Bonds and the descriptions thereof in the Official Statement;

(d) the Underwriter shall have the right to terminate this Bond Purchase Agreement, without liability therefor, by notification to the Authority and the City if at any time at or prior to the Closing:

(i) any event shall occur or facts are discovered which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) The market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, shall not, in the reasonable judgment of the Underwriter, have been materially adversely affected by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by owners of the Bonds, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(a) by or on behalf of the United States Treasury Department or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income

taxation of the interest received by the owners of the Bonds; or

(b) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) any outbreak or escalation of hostilities affecting the United States, the declaration of a national or international emergency, war or engagement in, or escalation of, major military hostilities by the United States or the occurrence of any other national emergency or calamity, or escalation thereof, relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange or any governmental authority securities exchange;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(6) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to the outstanding indebtedness of the Authority or the City;

(7) any event occurring, or information becoming known which in the reasonable judgment of the Underwriter makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and, in either such event, the Authority or the City refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as supplemented to supply such statement or information, or to the effect of the Official Statement so supplemented is to materially adversely affect the market price of marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(8) the occurrence, since the date hereof, of any materially adverse change in the affairs or financial condition of the City;

(9) the suspension by the SEC of the trading in the outstanding bonds of the Authority or the City;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative regulatory body or authority materially adversely affecting the tax status of the Authority or the City its property, income securities (interest thereon);

(11) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(12) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(13) legislation enacted by the legislature of the State, or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds.

If the Authority or the City shall be unable to satisfy the conditions contained in this Bond Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Authority or the City shall be under further obligation hereunder, except as further set forth in Section 9 and Section 10.

#### **Section 9. Expenses**

(a) The Underwriter shall be under no obligation to pay, and the Authority shall pay or cause to be paid the expenses incident to the performance of the obligations of the City hereunder including but not limited to (i) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the Authority Legal Documents and the City Legal Documents and the cost of preparing, printing, issuing and delivering the definitive Bonds, (ii) the fees and disbursements of the accountants, or other experts or consultants retained by the Authority or the City, (iii) the fees and disbursements of counsel to the Authority and to the City, and Bond Counsel, (iv) the fees and disbursements of Disclosure Counsel, (v) the fees and disbursements of the Trustee, and (vi) the cost of preparation and printing of the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and printing of the Official Statement and any supplements and amendments thereto, including the requisite number of copies thereof for distribution by the Underwriter. The Authority and the Underwriter intend that the Authority will pay all expenses of City's employees that are incidental to implementing this Bond Purchase Agreement, including, but not limited to, meals, transportation, and lodging, of those employees, and the Authority shall reimburse the Underwriter if the Underwriter pays for any of such expenses on behalf of the City.

(b) The Underwriter shall pay all expenses incurred by them in connection with the public offering and distribution of the Bonds including, but not limited to: (i) the fees and disbursements of Underwriter's Counsel; (ii) all advertising expenses in connection with the offering of the Bonds; and (iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds (including travel and other expenses, CDIAAC and blue sky filing fees, CUSIP Service Bureau fees, and any other fees and expenses), except as provided in Section 9(a) or as otherwise agreed to by the Underwriter and the City from the Underwriter's discount set forth in Section 1.

## Section 10. Covenants of the City

The City covenants with the Underwriter that:

(a) If between the date hereof and the date which is not less than 25 days after the End of the Underwriting Period for the Bonds (as defined below), an event occurs, or facts or conditions become known of which the City has knowledge which in the opinion of counsel to the Underwriter or counsel to the City, might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading, the City will notify the Underwriter, and, if in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will forthwith prepare and furnish to the Underwriter (at the expense of the City) a reasonable number of copies of an amendment of or supplement to the Official Statement (in the form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading. If such notification shall be after the Closing, the City shall forthwith provide to the Underwriter such certificates as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the City will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(b) If the information contained in the Official Statement is amended or supplemented pursuant to subparagraph (a) of this Section 10, at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the “*End of the Underwriting Period*” for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein), excluding therefrom the information relating to DTC and its book-entry only system and under the caption “UNDERWRITING”), will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading;

(c) As used herein and for the purposes of the foregoing, the term “*End of Underwriting Period*” for the Bonds shall mean the earlier of (i) the Closing Date unless the City shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date or (ii) the date on which the End of the Underwriting Period for the Bonds has occurred under the Rule, provided, however, that the City may treat as the End of the Underwriting Period for the Bonds the date specified as such in a notice from the Underwriter stating the date which is the End of the Underwriting Period;

(d) The City will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(e) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided, however, that the City shall not be required to register as a dealer or broker or foreign corporation in any such state or jurisdiction or consent to service of process therein;

(f) The City will perform all actions as may be requested by the Underwriter (including delivery of an appropriate certificate with respect to the Preliminary Official Statement) in order for the Underwriter to comply with the applicable provisions of the Rule; and

(g) Between the date hereof and the Closing Date, without the prior written consent of the Underwriter, the City will not have issued any bonds, notes, or other obligations for borrowed money, in each case payable from Revenues.

#### **Section 11. Establishment of Issue Price**

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) The Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test” is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule A to Exhibit A attached hereto, except as otherwise set forth therein. Schedule A to Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter shall promptly advise the Authority when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in



each case if and for so long as directed by the Underwriter. The Authority acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “*public*” means any person other than an underwriter or a related party,

(ii) “*underwriter*” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “*related party*” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “*sale date*” means the date of execution of this Bond Purchase Agreement by all parties.

## **Section 12. Representations, Warranties and Agreements of the Underwriter**

The Underwriter represents, warrants and covenants with the Authority and the City that:

(a) the Underwriter affirms it does not honor the Arab League Boycott of Israel;

(b) in the performance of this Bond Purchase Agreement, the Underwriter shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, sexual orientation or medical condition. The Underwriter shall take affirmative action to insure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, national origin, sexual orientation or medical condition. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation, and selection

for training; and

(c) the Underwriter shall abide by the provisions of the Agoura Hills Living Wage Ordinance. During the term of this Agreement, the Underwriter shall keep on file sufficient evidence of its employee compensation to enable verification of compliance with the Agoura Hills Living Wage Ordinance.

**Section 13. Notices**

Any notice or other communication to be given to the Authority and the City under this Bond Purchase Agreement may be given by delivering the same in writing at the Authority's and the City's addresses set forth above and any such notice or other communication to be given to the Underwriter shall be delivered to the following address:

Raymond James & Associates, Inc.  
39 E. Union Street  
Pasadena, CA 91103  
Attention: Jose Vera  
Telephone: (626) 628-2703

**Section 14. Parties in Interest**

This Bond Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations and warranties of the parties hereto contained in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter, the Authority or the City until the earlier of (a) delivery of and payment for the Bonds hereunder and (b) any termination of this Bond Purchase Agreement.

**Section 15. Execution in Counterparts; Electronic Transmission**

This Bond Purchase Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Purchase Agreement by signing any such counterpart.

**Section 16. Headings**

The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be part hereof.

**Section 17. Effectiveness**

This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution by the Underwriter and the acceptance hereof by the duly authorized representatives of the Authority and the City and shall be valid and enforceable as of the time of such acceptance.

**Section 18. Choice of Law**

The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State, without regard to conflicts of law.

**Section 19. Severability**

In the event any provision of this Bond Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 20. Entire Agreement**

The Bond Purchase Agreement, when accepted by the Authority and the City in writing as heretofore specified, shall constitute the entire agreement among the Authority, the City and the Underwriter.

**Section 21. Headings**

The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be part hereof.

*[The remainder of this page intentionally left blank]*

**Section 22. No Assignment**

The rights and obligations created by this Bond Purchase Agreement shall not be subject to assignment by the Underwriter, the Authority or the City without the prior written consent of the other parties hereto.

*[The remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereto, by their representatives thereunto duly authorized, have executed and delivered this Agreement, effective as of the day and year first above written.

RAYMOND JAMES & ASSOCIATES, INC.

  
\_\_\_\_\_  
Authorized Signatory

Accepted at \_\_\_\_\_ A.M as of the date hereof:

AGOURA HILLS IMPROVEMENT AUTHORITY

By: \_\_\_\_\_  
Nathan Hamburger, Chief Administrative Officer

CITY OF AGOURA HILLS

By: \_\_\_\_\_  
Nathan Hamburger, City Manager

IN WITNESS WHEREOF, the parties hereto, by their representatives thereunto duly authorized, have executed and delivered this Agreement, effective as of the day and year first above written.

RAYMOND JAMES & ASSOCIATES, INC.

\_\_\_\_\_  
Authorized Signatory

Accepted at 10:32 A.M as of the date hereof:

AGOORA HILLS IMPROVEMENT AUTHORITY

By:   
Nathan Hamburger, Chief Administrative Officer

CITY OF AGOURA HILLS

By:   
Nathan Hamburger, City Manager

**SCHEDULE I**

**AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE BONDS, SERIES 2024A**

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price
2025*	\$565,000	3.000%	2.950%	100.055
2026*	580,000	3.000	2.850	100.314
2027*	600,000	3.000	2.720	100.848
2028*	615,000	3.000	2.780**	100.665
2029*	635,000	3.000	2.850**	100.452
2030*	655,000	3.000	2.900**	100.300
2031*	670,000	3.000	3.000	100.000
2032*	695,000	3.000	3.050	99.637
2033*	715,000	3.000	3.110	99.123
2034*	735,000	3.000	3.170	98.526
2035*	755,000	3.125	3.300	98.370
2036*	780,000	3.250	3.440	98.117
2037*	805,000	3.375	3.580	97.855
2038*	835,000	3.500	3.700	97.803
2039*	860,000	3.625	3.800	97.989
2041*	1,825,000	4.000	3.960**	100.114

\* 10% test met.

\*\* Yield to the optional redemption date of June 1, 2027 at par.

**AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE REFUNDING BONDS, SERIES 2024B**

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price
2025*	\$105,000	4.000%	2.900%	101.278
2026 <sup>H</sup>	115,000	4.000	2.800	102.533
2027 <sup>H</sup>	120,000	4.000	2.670	104.043
2028 <sup>H</sup>	125,000	4.000	2.610	105.485
2029 <sup>H</sup>	125,000	4.000	2.590	106.808
2030 <sup>H</sup>	130,000	4.000	2.590	108.018
2031 <sup>H</sup>	135,000	4.000	2.590	109.197
2032 <sup>H</sup>	145,000	4.000	2.600	110.269
2033*	150,000	4.000	2.610	111.294
2034 <sup>H</sup>	150,000	4.000	2.670	111.798
2035 <sup>H</sup>	160,000	4.000	2.820**	110.388
2036 <sup>H</sup>	170,000	4.000	2.960**	109.091
2037 <sup>H</sup>	175,000	4.000	3.100**	107.811
2038*	180,000	4.000	3.200**	106.908
2039*	190,000	4.000	3.340**	105.658
2040*	195,000	4.000	3.510**	104.164
2041*	205,000	4.000	3.610**	103.297

\* 10% test met.

\*\* Yield to the optional redemption date of June 1, 2034 at par.

<sup>H</sup> Hold-the-offering-price maturities.



**EXHIBIT A**

**ISSUE PRICE CERTIFICATE**

§ \_\_\_\_\_

**AGOURA HILLS IMPROVEMENT AUTHORITY  
[LEASE REVENUE BONDS, SERIES 2024A]  
[LEASE REVENUE REFUNDING BONDS, SERIES 2024B]**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of Raymond James & Associates, Inc. (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Issuer*** means the Agoura Hills Improvement Authority.

(c) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(e) ***Related Party*** means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February 22, 2024.

(g) ***Underwriter*** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the

Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Dated: March 21, 2024

RAYMOND JAMES & ASSOCIATES, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES**

**EXHIBIT B**

**FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL**

March 21, 2024

Raymond James & Associates, Inc.  
Pasadena, California

\$12,325,000  
Agoura Hills Improvement Authority  
Lease Revenue Bonds, Series 2024A

\$2,575,000  
Agoura Hills Improvement Authority  
Lease Revenue Refunding Bonds, Series 2024B

(Supplemental Opinion)

Ladies and Gentlemen:

We have this day released to the Agoura Hills Improvement Authority (the "Authority") our final approving legal opinion with respect to the above-captioned bonds (collectively, the "2024 Bonds"). You are authorized to rely on such opinions as if the same were addressed to you.

In connection with rendering the above-described opinion, we examined the record of proceedings submitted to us relative to the issuance of the 2024 Bonds and such other documents as are in our opinion necessary to enable us to express an informed opinion with respect to the following matters. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bond Purchase Agreement, dated February 22, 2024 (the "Bond Purchase Agreement"), by and among the Authority, the City of Agoura Hills (the "City") and you relating to the 2024 Bonds.

The opinions expressed herein are based on an analysis of existing law and cover certain matters not directly addressed thereby. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof, and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in such documents. Furthermore, we have assumed compliance with all agreements and covenants contained in such documents.

Based upon the foregoing, in our opinion:

1. The statements on the cover of the Official Statement and in the Official Statement under the captions "THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS," APPENDIX B - "FORM OF BOND COUNSEL OPINION," and in APPENDIX C - "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" (excluding any material that may be treated as included under such captions and appendices by any cross-reference; any financial, statistical or numerical data contained therein; or the statements under each such caption relating to The Depository Trust Company, Cede & Co., the book-entry system, as to all of which we express no view herein), insofar as such statements expressly summarize provisions of the Indenture, the Lease Agreement, the Sublease Agreement, the Assignment Agreement, and our final opinion concerning certain federal tax matters relating to the 2024 Bonds, are accurate in all

material respects as of the date hereof.

2. Assuming due authorization, execution and delivery by the Underwriter of the Bond Purchase Agreement, the Bond Purchase Agreement is the legal, valid, and binding agreement of the City and the Authority, enforceable in accordance with its terms, except that the rights and obligations under the Bond Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

3. The 2024 Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

This letter is furnished by us as Bond Counsel to the Authority. No attorney-client relationship has existed or exists between our firm and you in connection with the 2024 Bonds or by virtue of this letter. Our engagement with respect to the 2024 Bonds has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is delivered to the addressees indicated above, is solely for the benefit of the addressees for the financing described herein and is not to be used, quoted or otherwise referred to or relied upon for any other purpose or by any other person or entity. This letter is not intended to, and may not, be relied upon by owners of the 2024 Bonds.

Respectfully submitted,

**EXHIBIT C**

**FORM OF OPINION OF DISCLOSURE COUNSEL**

March 21, 2024

Raymond James & Associates, Inc.  
Pasadena, California

Agoura Hills Improvement Authority  
Agoura Hills, California

City of Agoura Hills  
Agoura Hills, California

\$12,325,000

Agoura Hills Improvement Authority  
Lease Revenue Bonds, Series 2024A

\$2,575,000

Agoura Hills Improvement Authority  
Lease Revenue Refunding Bonds, Series 2024B

Ladies and Gentlemen:

We have acted as Disclosure Counsel to the Agoura Hills Improvement Authority (the “Authority”) with respect to the above-captioned Series 2024A Bonds and Series 2024B Bonds (collectively, the “Bonds”). This letter is rendered pursuant to the Bond Purchase Agreement, dated February 22, 2024 (the “Purchase Agreement”), by and among the Authority, the City of Agoura Hills (the “City”) and Raymond James & Associates, Inc., as the underwriter (the “Underwriter”). All capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement, and if not in the Purchase Agreement, in the Official Statement, dated February 22, 2024, relating to the Bonds (the “Official Statement”).

In rendering this letter, we have reviewed such records, documents, certificates and opinions, and made such other investigations of law and fact as we have deemed necessary or appropriate. This letter is limited to matters governed by the federal securities law of the United States, and we assume no responsibility with respect to the applicability or effect of the laws of any other jurisdiction. We do not assume any responsibility for any electronic version of the Preliminary Official Statement, dated February 15, 2024 (the “Preliminary Official Statement”), relating to the Bonds, or the Official Statement, and we assume that any such version is identical in all respects to the printed version. Our services did not include financial or other non-legal advice.

In our capacity as Disclosure Counsel, we have participated in the preparation of the Preliminary Official Statement and the Official Statement. Such participation included, among other things, discussions and inquiries concerning various legal matters, review of certain documents and proceedings, and participation in conferences with, among others, representatives of the Authority and of the City, the Underwriter, Best Best & Krieger LLP, as Underwriter’s counsel, Columbia Capital Management, LLC., as municipal advisor, U.S. Bank Trust Company, National Association, as the trustee, and Dorsey & Whitney LLP, as trustee’s counsel, at which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. On the basis of the information made

available to us in the course of the foregoing (but without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement), no facts have come to the attention of the personnel in our firm directly involved in rendering legal advice and assistance in connection with the preparation of the Preliminary Official Statement and the Official Statement which cause us to believe that the Preliminary Official Statement as of its date or the Official Statement as of its date or as of the date hereof (excluding therefrom CUSIP numbers, financial, accounting and statistical, economic, engineering and demographic data; forecasts, projections, estimates, assumptions and expressions of opinions; any determinations regarding feasibility, valuation, appraisals, fair rental value, absorption, real estate, and environmental matters, or any basis therefor; statements as to compliance by the Authority, the City, or any related entity with respect to their respective obligations undertaken in furtherance of Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, to provide notices or reports; information about the book-entry only system and DTC; statements relating to the treatment of the Bonds or the interest, discount or premium related thereto for tax purposes under the law of any jurisdiction; and the statements contained in the Official Statement under the caption "THE BONDS – Book-Entry Only System," "TAX MATTERS," and Appendices A, B, C, and D, as to all of which we express no view herein) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials, or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Preliminary Official Statement or the Official Statement.

During the period from the date of the Official Statement to the date of this letter, except for our review of the certificates and opinions regarding the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement.

By acceptance of this letter, the Authority and the City acknowledge that (i) the scope of those activities performed by us was inherently limited and does not purport to encompass all activities the Authority and the City are responsible to undertake; (ii) those activities performed by us rely on third party representations, warranties, certifications, and opinions made by representatives of the Authority and the City and others, and are otherwise subject to the qualifications set forth herein; and (iii) this letter is not to be relied upon by the Authority or the City in connection with their delivery of certificates and opinions pursuant to the Purchase Agreement.

This letter is furnished by us as Disclosure Counsel to the Authority. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. This letter is rendered in connection with the transaction described herein, and may not be relied upon by you for any other purpose. This letter shall not extend to, and may not be used, circulated, quoted, referred to, or relied upon by any other person, firm, corporation or other entity without our prior written consent; provided, however, a copy may be included in the transcript of the proceedings for the Bonds. Our engagement with respect to this matter terminates upon the delivery of this letter to you at the time of the closing relating to the Bonds, and we have no obligation to update this letter.

Respectfully submitted,

**EXHIBIT D**

**FORM OF OPINION OF CITY ATTORNEY**

March 21, 2024

Agoura Hills Improvement Authority  
Agoura Hills, California

Raymond James & Associates, Inc.  
Pasadena, California

\$12,325,000

Agoura Hills Improvement Authority  
Lease Revenue Bonds, Series 2024A

\$2,575,000

Agoura Hills Improvement Authority  
Lease Revenue Refunding Bonds, Series 2024B

Ladies and Gentlemen:

We serve as City Attorney to the City of Agoura Hills (the "City"). In connection with the issuance of the above-referenced bonds (the "Series 2024 Bonds") by the Agoura Hills Improvement Authority (the "Authority"), we have examined the original, certified copies, or copies otherwise identified to us, as being true copies of such documents, certificates, and records as we have deemed relevant and necessary as the basis for the opinion set forth herein. Relying on such examination and subject to the limitations and qualifications hereinafter set forth, we are of the opinion that:

1. The City is a municipal corporation duly formed and validly existing under the laws of the State of California.

2. Resolution No. \_\_\_ of the City Council of the City (the "City Resolution") was duly adopted at a meeting of the City Council which was called and held on February 14, 2024, pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the City Resolution is in full force and effect and has not been modified, amended or rescinded.

3. To the best of our knowledge, the authorization, execution and delivery of the City Documents by the City and compliance with the provisions thereof by the City of its obligations thereunder, will not conflict with, or constitute a breach or default under, in any material respect, any law, administrative regulation, court decree, resolution, ordinance or other agreement to which the City is subject or by which it is bound.

4. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending and notice of which has been served on the City, or threatened against the City, affecting the existence of the City or the titles of its officers to their respective officers, or contesting or affecting as to the City the validity or enforceability of the City Documents, or contesting the powers of the City for the execution and delivery by the City of the City Documents, or in any way contesting or challenging the consummation of the transactions contemplated thereby.



This opinion is based on such examination of the laws of the State of California as we deemed relevant for the purposes of this opinion. We have not considered the effect, if any, of the laws of any other jurisdiction upon matters covered by this opinion. We express no opinion as to the status of the Series 2024 Bonds or the interest thereon, or the City Documents under any federal securities laws or any state securities or "Blue Sky" law or any federal, state or local tax law. Further, we express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the City Documents. Without limiting any of the foregoing, we express no opinion as to any matter other than as expressly set forth above.

Whenever a statement herein is qualified by "to the best of our knowledge," it shall be deemed to indicate that, during the course of our representation of the City in connection with the financing described herein, no information that would give us current, actual knowledge of the inaccuracy of such statement has come to our attention. We have not, however, undertaken any independent investigation to determine the accuracy of such statements, and any limited inquiry undertaken by us during the preparation of this opinion letter should not be regarded as such investigation. No inference as to our knowledge of any matters bearing upon the accuracy of any such statement should be drawn from the fact of our representation of the City.

This opinion is furnished by us as City Attorney to the City. Except for the City, no attorney-client relationship has existed or exists between our firm and the addressees hereof in connection with the Series 2024 Bonds or by virtue of this opinion. This opinion is rendered solely in connection with the financing described herein, and may not be relied upon by you for any other purpose. We disclaim any obligation to update this opinion. This opinion shall not extend to, and may not be used, quoted, referred to, or relied upon by any other person, firm, corporation or other entity without our prior written consent.

Respectfully Submitted,

**EXHIBIT B**  
**OFFICIAL STATEMENT**

*In the opinion of Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax, and (ii) interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds. For a more complete discussion of the tax aspects, see “TAX MATTERS” herein.*

**\$12,325,000**  
**AGOURA HILLS IMPROVEMENT AUTHORITY**  
**LEASE REVENUE BONDS**  
**SERIES 2024A**

**\$2,575,000**  
**AGOURA HILLS IMPROVEMENT AUTHORITY**  
**LEASE REVENUE REFUNDING BONDS**  
**SERIES 2024B**

**Dated: Date of Delivery****Due: June 1, as shown on the inside front cover**

The Agoura Hills Improvement Authority (the “Authority”) will issue its Lease Revenue Bonds, Series 2024A (the “2024A Bonds”) and Lease Revenue Refunding Bonds, Series 2024B (the “2024B Bonds”, and together with the 2024A Bonds, the “Bonds”) pursuant to an Indenture, dated as of November 1, 2016 (the “Master Indenture”), as supplemented by a First Supplemental Indenture, dated as of March 1, 2024 (the “First Supplemental Indenture” and together with the Master Indenture, the “Indenture”), each by and between the Authority and U.S. Bank Trust Company, National Association (successor trustee to The Bank of New York Mellon Trust Company, N.A.), as Trustee.

Proceeds of the 2024A Bonds will be used to finance the construction of a linear greenway known as the Ladyface Greenway project, and to pay costs of issuance of the 2024A Bonds. Proceeds of the 2024B Bonds will be used to effect a refunding of all of the remaining outstanding Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2013, and to pay costs of issuance of the 2024B Bonds.

The Bonds will be payable solely from and secured by Revenues and certain funds and accounts held under the Indenture on a parity basis with the Authority’s Lease Revenue Refunding Bonds, Series 2016. Revenues consist primarily of certain rental payments (“Base Rental Payments”) to be made by the City to the Authority pursuant to a Sublease Agreement, dated as of November 1, 2016, as supplemented by a First Amendment to Sublease, dated as of March 1, 2024 (collectively, the “Sublease”), each by and between the Authority and the City for subleasing of the Leased Property (as described herein). The City covenants under the Sublease to take such action as necessary to include the Base Rental Payments and Additional Rental (as defined in the Sublease, and together with the Base Rental Payments, the “Rental Payments”) in its annual budget and to make all necessary appropriations therefor subject to abatement of such payments.

**The 2024A Bonds are subject to optional redemption, mandatory sinking fund redemption, and extraordinary redemption prior to their maturity as described herein. The 2024A Bonds are expected to be redeemed prior to maturity from the proceeds of grant funds. The 2024B Bonds are subject to optional redemption and extraordinary redemption prior to their maturity as described herein. See “PLAN OF FINANCING” and “THE BONDS.”**

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in denominations of \$5,000 each or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of and interest on the Bonds will be paid directly to DTC by the Trustee. Principal of the Bonds is payable on their maturity dates set forth on the inside cover hereof. Interest on the Bonds is payable on June 1 and December 1 of each year, commencing June 1, 2024. Upon its receipt of payments of principal and interest, DTC is in turn obligated to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the Bonds as described herein.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS UNDER THE SUBLEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS UNDER THE SUBLEASE CONSTITUTES AN INDEBTEDNESS OF THE CITY, STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

**See the section of this Official Statement entitled “BONDOWNERS’ RISKS” for a discussion of certain of the risk factors that should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.**

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, Bond Counsel. Certain legal matters will also be passed on for the Authority by Richards, Watson & Gershon, as Disclosure Counsel. Certain legal matters will be passed on for the Underwriter by Best Best & Krieger LLP, Los Angeles, California. It is anticipated that the Bonds will be available for delivery in book-entry form through the facilities of DTC on or about March 21, 2024.

**RAYMOND JAMES**

## MATURITY SCHEDULE

**\$12,325,000**  
**AGOURA HILLS IMPROVEMENT AUTHORITY**  
**LEASE REVENUE BONDS**  
**SERIES 2024A**

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP <sup>†</sup> (Base 00849T)
2025	\$565,000	3.000%	2.950%	100.055	BJ9
2026	580,000	3.000	2.850	100.314	BK6
2027	600,000	3.000	2.720	100.848	BL4
2028	615,000	3.000	2.780	100.665 <sup>C</sup>	BM2
2029	635,000	3.000	2.850	100.452 <sup>C</sup>	BN0
2030	655,000	3.000	2.900	100.300 <sup>C</sup>	BP5
2031	670,000	3.000	3.000	100.000	BQ3
2032	695,000	3.000	3.050	99.637	BR1
2033	715,000	3.000	3.110	99.123	BS9
2034	735,000	3.000	3.170	98.526	BT7
2035	755,000	3.125	3.300	98.370	BU4
2036	780,000	3.250	3.440	98.117	BV2
2037	805,000	3.375	3.580	97.855	BW0
2038	835,000	3.500	3.700	97.803	BX8
2039	860,000	3.625	3.800	97.989	BY6

\$1,825,000 4.000% Term Bonds due June 1, 2041 Yield: 3.960%, Price: 100.114<sup>C</sup> CUSIP<sup>†</sup> 00849TBZ3

<sup>C</sup> Priced to the first optional redemption date of June 1, 2027 at par.

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright (c) CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the City, the Underwriter or their agents or counsel take any responsibility for the accuracy of such numbers.

**\$2,575,000**  
**AGOURA HILLS IMPROVEMENT AUTHORITY**  
**LEASE REVENUE REFUNDING BONDS**  
**SERIES 2024B**

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP <sup>†</sup> (Base 00849T)
2025	\$105,000	4.000%	2.900%	101.278	CA7
2026	115,000	4.000	2.800	102.533	CB5
2027	120,000	4.000	2.670	104.043	CC3
2028	125,000	4.000	2.610	105.485	CD1
2029	125,000	4.000	2.590	106.808	CE9
2030	130,000	4.000	2.590	108.018	CF6
2031	135,000	4.000	2.590	109.197	CG4
2032	145,000	4.000	2.600	110.269	CH2
2033	150,000	4.000	2.610	111.294	CJ8
2034	150,000	4.000	2.670	111.798	CK5
2035	160,000	4.000	2.820	110.388 <sup>C</sup>	CL3
2036	170,000	4.000	2.960	109.091 <sup>C</sup>	CM1
2037	175,000	4.000	3.100	107.811 <sup>C</sup>	CN9
2038	180,000	4.000	3.200	106.908 <sup>C</sup>	CP4
2039	190,000	4.000	3.340	105.658 <sup>C</sup>	CQ2
2040	195,000	4.000	3.510	104.164 <sup>C</sup>	CR0
2041	205,000	4.000	3.610	103.297 <sup>C</sup>	CS8

<sup>C</sup> Priced to the first optional redemption date of June 1, 2034 at par.

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright (c) CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the City, the Underwriter or their agents or counsel take any responsibility for the accuracy of such numbers.

**CITY OF AGOURA HILLS / AGOURA HILLS IMPROVEMENT AUTHORITY  
LOS ANGELES COUNTY, CALIFORNIA**

**CITY COUNCIL / AUTHORITY COMMISSION**

Illece Buckley Weber, *Mayor / President*  
Penny Sylvester, *Mayor Pro Tempore / Vice President*  
Chris Anstead, *Council Member / Commissioner*  
Deborah Klein Lopez, *Council Member / Commissioner*  
Jeremy Wolf, *Council Member / Commissioner*

**CITY / AUTHORITY OFFICIALS AND STAFF**

Nathan Hamburger, *City Manager / Chief Administrative Officer*  
Kimberly Rodrigues, *City Clerk / Secretary*  
Candice K. Lee, *City Attorney / General Counsel*  
Diego Ibanez, *Director of Finance*

**SPECIAL SERVICES**

**Bond Counsel and Disclosure Counsel**

Richards, Watson & Gershon,  
A Professional Corporation  
Los Angeles, California

**Municipal Advisor**

Columbia Capital Management, LLC  
Carlsbad, California

**Trustee**

U.S. Bank Trust Company, National Association  
Los Angeles, California

No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement and the information contained herein are subject to completion or amendment without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the Authority or any other parties described herein since the date hereof. The Bonds may not be sold nor may an offer to buy be accepted prior to the time this Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "BONDOWNERS' RISKS" and "THE CITY."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

**THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.**

The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites and any links contained within those websites are not incorporated herein by reference and do not constitute part of this Official Statement.

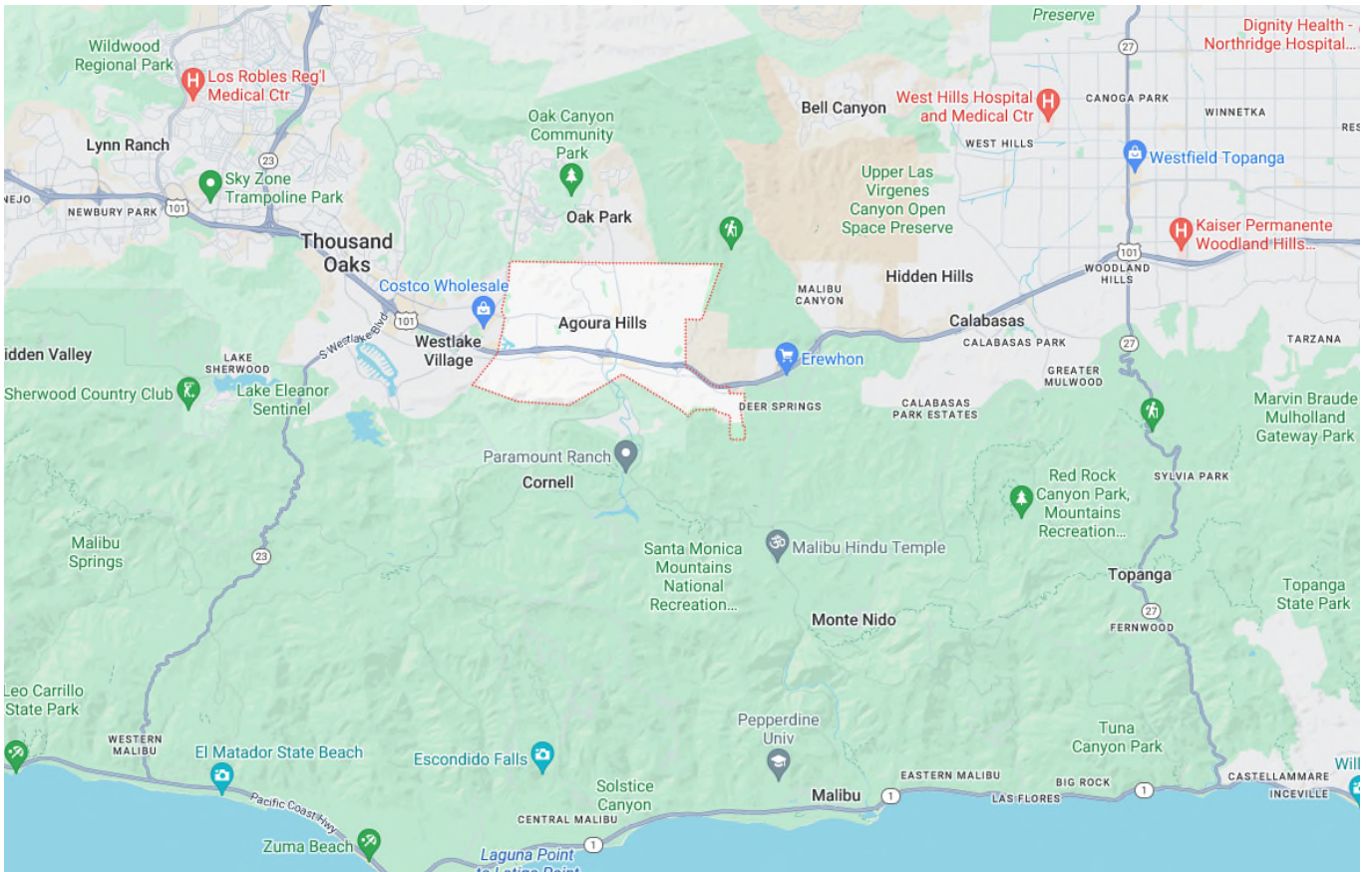
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**\$12,325,000**  
**AGOURA HILLS IMPROVEMENT AUTHORITY**  
**LEASE REVENUE BONDS**  
**SERIES 2024A**

**\$2,575,000**  
**AGOURA HILLS IMPROVEMENT AUTHORITY**  
**LEASE REVENUE REFUNDING BONDS**  
**SERIES 2024B**

**INTRODUCTION**

*This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used but not defined in this Official Statement have the meanings set forth in the Indenture (as defined below). See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”*

**Authority for Issuance**

The Agoura Hills Improvement Authority (the “Authority”) is issuing its \$12,325,000 aggregate principal amount of Lease Revenue Bonds, Series 2024A (“2024A Bonds”), and its \$2,575,000 aggregate principal amount of Lease Revenue Refunding Bonds, Series 2024B (“2024B Bonds” and together with the 2024A Bonds, the “Bonds”), pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the California Government Code, including the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 thereof (the “Bond Law”), and an Indenture, dated as of November 1, 2016 (the Master Indenture”), as supplemented by a First Supplemental Indenture, dated as of March 1, 2024 (the “First Supplemental Indenture” and together with the Master Indenture, the “Indenture”), each by and between the Authority and U.S. Bank Trust Company, National Association (the “Trustee”), successor trustee to The Bank of New York Mellon Trust Company, N.A.

**Purpose of the Bonds**

Proceeds of the 2024A Bonds will be used to finance the cost of construction of the City’s linear greenway, known as the Ladyface Greenway project, and to pay costs of issuance of the 2024A Bonds.

Proceeds of the 2024B Bonds will be used to current refund all of the outstanding Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2013, outstanding in the amount of \$2,930,000 (the “2013 Bonds”), and to pay costs of issuance of the 2024B Bonds.

**The Authority and the City**

The Authority is a joint powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of June 1, 2013, by and between the City and the Agoura Hills Parking Authority, in accordance with the provisions of Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Joint Powers Law”). The Authority is governed by a five-member Board of Directors which consists of the City Council of the City. The Authority has no taxing power. The Authority and the City are each separate and distinct legal entities, and the debts and obligations of one such entity are not debts or obligations of the other entity. See “THE AUTHORITY” herein.

The City is a general law city, which was incorporated on December 8, 1982. The City, which is located 40 miles northwest of downtown Los Angeles, is one of the smaller cities in Los Angeles County. Based on an estimate by the California Department of Finance, the City's population was approximately 19,770, as of January 1, 2023. U.S. 101, a major north-south freeway runs through the City, which is bordered by the communities of Calabasas to the east and Westlake Village to the west. The City generally exhibits higher average home prices than other cities in the County. The City encompasses an area of about eight square miles and is situated between 936 and 2,036 feet above sea level. The City is governed by the council-manager form of municipal government. The City Council is composed of five members elected biennially at-large to four-year overlapping terms. The Mayor is selected annually by the City Council members to serve a one-year term. The City Manager is appointed by the City Council to supervise the administrative personnel and contract services. See "THE CITY" herein.

### **Bond Terms; Book-Entry Only**

Interest on the Bonds is payable on June 1 and December 1 of each year, commencing June 1, 2024. The Bonds will mature in the amounts and on the dates and bear interest at rates shown on the cover of this Official Statement.

The Bonds will be issued in fully registered form only and, when issued and delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). DTC will act as the depository for the Bonds and all payments due on the Bonds will be made to Cede & Co. Ownership interests in the Bonds may be purchased only in book-entry form. See "THE BONDS – Book-Entry Only System" and "APPENDIX D – DTC'S BOOK-ENTRY ONLY SYSTEM."

### **Security for the Bonds**

The Bonds will be payable solely from and secured by Revenues (defined below) and certain funds and accounts held under the Indenture on a parity basis with the Authority's Lease Revenue Refunding Bonds, Series 2016 (the "2016 Bonds"), currently outstanding in the principal amount of \$8,285,000. Revenues consist primarily of certain rental payments ("Base Rental Payments") to be made by the City to the Authority pursuant to a Sublease Agreement, dated as of November 1, 2016, as amended by the First Amendment to Sublease, dated as of March 1, 2024 (collectively, the "Sublease"), each by and between the Authority and the City for subleasing of the city hall and library site and the improvements thereon (collectively, the "Leased Property"). Pursuant to an Assignment Agreement, dated as of November 1, 2016 (the "Assignment Agreement"), by and between the Authority and the Trustee, the Authority has assigned to the Trustee for the benefit of the Owners of the Bonds, certain of its rights under the Sublease, including its rights to receive Base Rental Payments for the purpose of securing the payment of debt service on the Bonds. The City covenants under the Sublease to take such action as necessary to include the Base Rental Payments and Additional Rental (as defined therein, and together with the Base Rental Payments, the "Rental Payments") in its annual budget and to make all necessary appropriations therefor (subject to abatement under certain circumstances described in the Sublease).

Base Rental Payments payable by the City under the Sublease are calculated to be sufficient to permit the Authority to pay the principal of, and interest on, the Bonds when due. However, under the certain circumstances, Base Rental Payments may be abated under the Sublease without constituting a default. See "SECURITY FOR THE BONDS."

## **No Debt Service Reserve for the Bonds**

No debt service reserve account will be established for Bonds under the Indenture. In connection with the issuance of a Series of Additional Bonds, the establishment of a debt service reserve account, if any, for such Additional Bonds will be specified in the relevant Supplemental Indenture.

## **Redemption**

The 2024A Bonds are subject to optional redemption, mandatory sinking fund redemption, and extraordinary redemption prior to their maturity as described herein. The 2024B Bonds are subject to optional redemption and extraordinary redemption prior to their maturity as described herein. See “THE BONDS.”

## **Additional Obligations**

Under the Indenture, the Authority may from time to time issue one or more series of Additional Bonds payable from and secured by Revenues (consisting primarily of Base Rental Payments received by the Authority from the City) on parity with all other Outstanding Bonds. In addition, the City is permitted to enter into other obligations which constitute additional charges against its general fund revenues without the consent of Owners of the Bonds. See “SECURITY FOR THE BONDS – Additional Obligations.”

## **Risks of Investment**

Debt service on the Bonds is payable only from Base Rental Payments and other amounts payable by the City to the Authority under the Sublease. The Base Rental payments are payable from revenues available in the City’s General Fund, which revenues may be materially adversely affected by numerous factors outside the City’s control. See “SECURITY FOR THE BONDS” and “BONDOWNERS’ RISKS.”

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS UNDER THE SUBLEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

## **Professionals Involved in the Offering**

U.S. Bank Trust Company, National Association, Los Angeles, California, will act as Trustee with respect to the Bonds. Columbia Capital Management, LLC, Carlsbad, California, has served as Municipal Advisor to the Authority and the City in connection with the Bonds and has assisted the Authority and the City in structuring the Bonds. All proceedings in connection with the issuance of the Bonds are subject to the approval of Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, Bond Counsel. Certain legal matters will also be passed on for the Authority by Richards, Watson & Gershon, as Disclosure Counsel.

## Summaries of Documents

There follows in this Official Statement descriptions of the Bonds, the Indenture, the Sublease, and various other agreements and documents. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors' rights generally. Capitalized terms not defined herein shall have the meanings set forth in the Indenture. Copies of the Indenture and the Sublease are available for inspection during business hours at the corporate trust office of the Trustee in Los Angeles, California.

## PLAN OF FINANCING

### The Project

The 2024A Bonds are being issued to finance a portion of the costs of construction of the City's outdoor linear recreational greenway, known as the Ladyface Greenway project (the "Project"). Ladyface Greenway is approximately 1.3 acres in size and will be located between the City's most used commercial shopping center, the Whizin Market Square, to the north and Agoura Road to the south, in the City's southern border, south of the Ventura Freeway (United States Route 101). The Project will contain green space, which includes native and drought tolerant plants, and recreational areas, including an informal/interactive play area and an art walk. Features in the greenway are expected to include: shaded seating areas, concrete seat walls, benches, monarch butterfly garden, wayfinding and interpretive signage, flagstone paving areas, lighting, and litter receptacles. The Project will have areas for non-motorized transit opportunities, such as walking, biking, and equestrian trails.

The Project area completely envelopes the Las Virgenes Municipal Water District's (the "LVMWD") Cornell Pump Station property. Landscape and hardscape improvements on the LVMWD's property are expected to be included as part of the greenway project. The City is currently in negotiations with LVMWD on a Memorandum of Agreement that will establish final landscape/hardscape improvement plans on LVMWD property, to be aesthetically coordinated with the Ladyface Greenway Project, and construction costs of these improvements will be shared by LVMWD and the City (using grant proceeds). The City anticipates that the Memorandum of Understanding will be finalized prior to the award of a construction contract for the Project.

The Project is expected to cost approximately \$17.6 million dollars, which the City expects to finance over the course of two years with proceeds from the 2024A Bonds, some general fund moneys, as well as grant proceeds (see "--Grant Proceeds" discussion below). In October 2023, the City awarded the construction management contract for the Project to Berg & Associates Inc. The City received bids on the Project in early February 2024 and will be rejecting those bids and rebidding the Project in April 2024. The City expects to award a construction contract in May 2024. All permits for construction of the Project have been received by the City. A notice to proceed with construction is anticipated in June 2024, and construction should take approximately 2 years.

*Use Agreement with L.A. County Flood Control District.* The Project will be built on top of an existing working rectangular concrete runoff channel that is owned and maintained by the Los Angeles County Flood Control District (the "District"). In July 2023, the City and the District entered into a Use Agreement ("Use Agreement") in which the District authorized the City to use



## PLAN OF REFUNDING

The 2024B Bonds are being issued to current refund the Authority's 2013 Bonds, outstanding in the principal amount of \$2,930,000. The 2013 Bonds were issued pursuant to an Indenture, dated as of September 1, 2013, by and between the Authority and U.S. Bank Trust Company, National Association (the "2013 Trustee"), as successor trustee to The Bank of New York Trust Company, N.A.

The Authority, the City and the 2013 Trustee, as escrow agent ("Escrow Agent") will enter into an Escrow Agreement, dated March 1, 2024 (the "Escrow Agreement"). Moneys from the sale proceeds of the 2024B Bonds, along with existing moneys currently on deposit in the reserve fund for the 2013 Bonds will be transferred to the Escrow Agent for deposit into an escrow fund (the "2013 Escrow Fund") established and held by the Escrow Agent pursuant to the Escrow Agreement. See "SOURCES AND USES OF FUNDS" below. The amounts deposited into the 2013 Escrow Fund will be sufficient to pay the redemption price on the outstanding 2013 Bonds, including any accrued and unpaid interest with respect thereto, on the redemption date. As a result of the deposit and application of funds pursuant to the Escrow Agreement, the lien upon the Revenues of the 2013 Bonds, will cease and terminate.

The monies deposited in the 2013 Escrow Fund will be held solely for the benefit of the holders of the 2013 Bonds being refunded and will not serve as security or be available for payment of principal of, or interest on, or premium, if any, on the Bonds.

## SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of the proceeds from the sale of the Bonds:

<b>Sources:</b>	<u>2024A Bonds</u>	<u>2024B Bonds</u>	<u>Total</u>
Par amount of the Bonds	\$12,325,000.00	\$2,575,000.00	\$14,900,000.00
Plus/Less Net Original Issue Premium/Discount	(81,302.60)	180,648.10	99,345.50
Less: Underwriter's discount	(57,709.92)	(12,631.72)	(70,341.64)
Plus: 2013 Bonds Fund and Accounts <sup>(1)</sup>	--	243,427.57	243,427.57
<b>Total Sources</b>	<b><u>\$12,185,987.48</u></b>	<b><u>\$2,986,443.95</u></b>	<b><u>\$15,172,431.43</u></b>
<b>Uses:</b>			
Project Fund	\$12,000,000.00	--	\$12,000,000.00
Escrow Fund	--	\$2,951,153.75	\$2,951,153.75
Costs of Issuance <sup>(2)</sup>	185,987.48	35,290.20	221,277.68
<b>Total Uses</b>	<b><u>\$12,185,987.48</u></b>	<b><u>\$2,986,443.95</u></b>	<b><u>\$15,172,431.43</u></b>

(1) Amount released from the funds and accounts held under the Indenture for the 2013 Bonds.

(2) Costs of Issuance include fees and expenses for Bond Counsel, Disclosure Counsel, Municipal Advisor, Trustee, printing expenses, rating fees and other costs.



## ANNUAL DEBT SERVICE

The following table shows the annualized debt service for the Bonds and the parity 2016 Bonds, assuming no optional redemption or extraordinary mandatory redemption:

Bond Year Ending June 1	2024A Bonds		2024B Bonds		2024 Bonds	2016 Bonds	2016 and 2024 Bonds
	Principal	Interest	Principal	Interest	Total	Total	Total
2024	--	\$ 78,451	--	\$ 20,028	\$ 98,479	\$ 665,400	\$ 763,879
2025	\$ 565,000	403,463	\$ 105,000	103,000	1,176,463	660,150	1,836,613
2026	580,000	386,513	115,000	98,800	1,180,313	664,400	1,844,713
2027	600,000	369,113	120,000	94,200	1,183,313	667,650	1,850,963
2028	615,000	351,113	125,000	89,400	1,180,513	659,900	1,840,413
2029	635,000	332,663	125,000	84,400	1,177,063	661,650	1,838,713
2030	655,000	313,613	130,000	79,400	1,178,013	667,400	1,845,413
2031	670,000	293,963	135,000	74,200	1,173,163	666,900	1,840,063
2032	695,000	273,863	145,000	68,800	1,182,663	660,400	1,843,063
2033	715,000	253,013	150,000	63,000	1,181,013	662,600	1,843,613
2034	735,000	231,563	150,000	57,000	1,173,530	664,000	1,837,563
2035	755,000	209,513	160,000	51,000	1,175,513	664,600	1,840,113
2036	780,000	185,919	170,000	44,600	1,180,519	664,400	1,844,919
2037	805,000	160,569	175,000	37,800	1,178,369	663,400	1,841,769
2038	835,000	133,400	180,000	30,800	1,179,200	666,600	1,845,800
2039	860,000	104,175	190,000	23,600	1,177,775	668,800	1,846,575
2040	895,000	73,000	195,000	16,000	1,179,000	660,000	1,839,000
2041	930,000	37,200	205,000	8,200	1,180,400	665,600	1,846,000
<b>Total*</b>	<b>\$12,325,000</b>	<b>\$4,191,101</b>	<b>\$2,575,000</b>	<b>\$1,044,228</b>	<b>\$20,135,329</b>	<b>\$11,953,850</b>	<b>\$32,089,179</b>

\* Numbers may not add due to rounding.

## THE BONDS

### General

The Bonds will be issued in the aggregate principal amount and will mature on the dates and bear interest at the rates per annum as set forth on the inside front cover of this Official Statement. The Bonds will be issued in authorized denominations of \$5,000 or integral multiples thereof and will be dated their date of delivery. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and payable on June 1 and December 1 of each year, commencing June 1, 2024 (each an "Interest Payment Date"), until maturity or earlier redemption thereof. The interest on the Bonds will be payable by check mailed or draft on each Interest Payment Date to the registered owners thereof as shown on the registration books of the Trustee as of the close of business on the Record Date (i.e., the 15th calendar day of the month immediately preceding the Interest Payment Date); provided, that a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds may specify in writing prior to the Record Date that the interest payment payable on each succeeding Interest Payment Date be made by wire transfer. The Bonds will be initially delivered as one fully registered certificate for each maturity and will be delivered by means of the book-entry system of DTC. See "Book-Entry Only System" below.

## Extraordinary Redemption

The Bonds are subject to extraordinary mandatory redemption as a whole on any date from prepaid Base Rental Payments made by the City from a condemnation award or from insurance proceeds as described in the Sublease, at par, plus accrued interest, if any, to the date of redemption, without premium.

## Optional Redemption

2024A Bonds. The 2024A Bonds maturing on or before June 1, 2027 will not be subject to optional redemption prior to their maturity. The 2024A Bonds maturing on or after June 1, 2028 will be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under the Sublease or moneys from any other source, on any date on or after June 1, 2027. The 2024A Bonds called for optional redemption will be redeemed at a redemption price equal to 100 percent of the principal amount of Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium. The Authority and the City will redeem the 2024A Bonds in an amount equal to grant proceeds on deposit in the Redemption Fund at the earliest call date after Project completion See "PLAN OF FINANCING."

2024B Bonds. The 2024B Bonds maturing on or before June 1, 2034 will not be subject to optional redemption prior to their maturity. The 2024B Bonds maturing on or after June 1, 2035 will be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under the Sublease or moneys from any other source, on any date on or after June 1, 2034. The 2024B Bonds called for optional redemption will be redeemed at a redemption price equal to 100 percent of the principal amount of Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

## Sinking Fund Redemption

2024A Bonds. The 2024A Bonds maturing on June 1, 2041 (the "2024A Term Bonds") are subject to redemption in part by lot from sinking fund payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, if some but not all of the 2024A Term Bonds of a maturity have already been optionally redeemed, the total amount of all future sinking fund payments for such maturity of 2024A Term Bonds shall be reduced by an amount corresponding to the aggregate principal amount of 2024A Term Bonds of such maturity so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 in such manner as the Authority shall direct, and the Authority shall provide the Trustee with a revised schedule of such sinking fund redemption payments pursuant to written notice filed by the Authority with the Trustee:

### 2024A Term Bonds Maturing on June 1, 2041

<u>Redemption Date (June 1)</u>	<u>Principal Amount to be Redeemed</u>
2040	\$895,000
2041(maturity)	930,000

In lieu of a mandatory sinking fund redemption, at the Authority's direction, the Trustee may apply amounts in the applicable Principal Account established under the Indenture to purchase 2024A Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which will be payable from the applicable Interest Account), except that the purchase price (exclusive of accrued interest) may not exceed the redemption price applicable to such 2024A Term Bonds, as set forth in writing by the Authority; provided, however, that no 2024A Term Bonds will be purchased by the Trustee under the Indenture with a settlement date more than 60 days prior to the date on which the Authority would otherwise redeem such 2024A Term Bonds pursuant to the Indenture. The principal amount of any 2024A Term Bonds so purchased by the Trustee will be credited towards and will reduce the applicable Principal Account payment otherwise required to be made with respect to such 2024A Term Bonds on the applicable redemption date.

Notice of Redemption. Notice of redemption will be sent not less than 30 nor more than 60 days prior to the redemption date, to each of the registered owners of the Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. Such notice shall also be given to the Securities Depositories and to one or more of the Information Services (at the time of the issuance of the Bonds, there is one Information Service, which is the Electronic Municipal Market Access System, known as "EMMA", a facility of the Municipal Securities Rulemaking Board, at [www.emma.msrb.org](http://www.emma.msrb.org)). Neither failure to receive such notice nor any defect in the notice so sent will affect the sufficiency of the proceedings for the redemption of any Bonds or the cessation of interest thereon on the redemption date.

Selection of Bonds for Redemption. Whenever provision is made for the redemption of less than all of the Bonds of any Series, the Trustee will select the Bonds to be redeemed from all Outstanding Bonds of such Series or such given portion thereof not previously called for redemption, on a pro rata basis among the maturities (unless the maturity or maturities are otherwise specified in the Indenture or in writing by the Authority) and by lot within a maturity in any manner which the Trustee in its discretion will deem appropriate. For purposes of such selection, all Bonds of a Series shall be deemed to be comprised of separate \$5,000 portions and such portions will be treated as separate Bonds, which may be separately redeemed.

Right to Rescind Optional Redemption; Conditional Notice of Optional Redemption. The Authority may rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. The effectiveness of any notice of optional redemption may be made expressly subject to, and conditioned upon, the receipt of funds by the Authority prior to the date fixed for redemption in such notice. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. None of the Authority, the City nor the Trustee will have no liability to the Owners or any other party related to or arising from such rescission. The Trustee will send notice of such rescission in the same manner as that prescribed above for notice of redemption.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date. All Bonds redeemed pursuant to the Indenture will be canceled by the Trustee. All moneys held by or on behalf of the Trustee for the payment of principal of or interest or premium on the Bonds, whether at redemption or maturity, will be held in trust for the account of the Owners thereof and the Trustee

will not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

### **Book-Entry Only System**

The Bonds will be issued as one fully registered bond certificate without coupons for each maturity (unless the Bonds of such maturity bear different interest rates, then one certificate for each interest rate among such maturity) and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described in this Official Statement. So long as DTC's book-entry system is in effect with respect to the Bonds, notices to Owners of the Bonds by the Authority or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the Bonds, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. See "APPENDIX D — DTC'S BOOK-ENTRY ONLY SYSTEM" for further information regarding DTC and the book-entry system.

## **SECURITY FOR THE BONDS**

### **Pledge of Revenues**

Concurrently with the issuance of the Bonds, the Authority will lease the Leased Property (see "LEASED PROPERTY" below) from the City under a Lease Agreement, dated as of November 1, 2016 (the "Lease"). Under the Sublease, the City will sublease the Leased Property from the Authority and agree to make Rental Payments. Upon satisfaction of certain conditions set forth in the Sublease, the City may substitute the Leased Property with other properties. See "--Substitution of Property" below.

The Bonds (including any Additional Bonds) are payable from and secured by a pledge of Revenues and certain funds and accounts established and held by the Trustee under the Indenture on a parity basis with the Authority's Lease Revenue Refunding Bonds, Series 2016, currently outstanding in the principal amount of \$8,285,000. Revenues, as defined in the Indenture, means: (a) all Base Rental Payments payable by the City pursuant to the Sublease (including prepayments); (b) any proceeds of the Bonds originally deposited with the Trustee and held by the Trustee in the Lease Revenue Fund and the accounts thereof; (c) investment income with respect to any moneys held by the Trustee in the Lease Revenue Fund and the accounts thereof (other than amounts that may be payable to the United States of America for rebate purposes); and (d) any insurance proceeds or condemnation awards received by or payable to the Trustee with respect to the Leased Property pursuant to the Sublease, including rental interruption insurance.

As security for the Bonds, the Authority will assign to the Trustee for the payment of the Bonds the Authority's rights, title and interest in the Sublease (with certain exceptions), including the right to receive Base Rental Payments to be made by the City under the Sublease.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS UNDER THE SUBLEASE

DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS UNDER THE SUBLEASE CONSTITUTES AN INDEBTEDNESS OF THE CITY, STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

### **Lease Revenue Fund**

Pursuant to the Indenture, the Trustee will establish and hold in trust a fund designated as the "Lease Revenue Fund." The Trustee will deposit all Base Rental Payments received by it in the Lease Revenue Fund. On or before each Interest Payment Date, the Trustee will transfer from the Lease Revenue Fund and deposit into the respective accounts therein for application towards interest and principal payments on the Bonds, as provided in the Indenture. See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Indenture – Revenues; Flow of Funds."

### **No Reserve Fund**

Under the Indenture, no debt service reserve subaccount will be established for the Bonds.

### **Base Rental Payments; Covenant to Appropriate**

The City has agreed, under the Sublease, to make Base Rental Payments for the subleasing of the Leased Property. Amounts of the scheduled Base Rental Payments are calculated to be sufficient to pay debt service on the Bonds. Base Rental Payments will be paid by the City semiannually to the Trustee before each Interest Payment Date. Upon receipt, the Trustee will deposit the Base Rental Payments in the Lease Revenue Fund for the purpose of paying principal of and interest on the Bonds. The City has covenanted under the Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments (consisting of certain administrative costs and other moneys due to the Authority and the Trustee under the Sublease) in its annual budget and to make the necessary annual appropriations for all such rental payments. Under certain circumstances described under the Sublease, however, Base Rental Payments are subject to abatement during periods of substantial interference with the City's use and occupancy of the Leased Property or any portion thereof. See "--Abatement; Insurance" below.

See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Sublease – Rental."

### **Abatement; Insurance**

The Sublease provides that the obligation of the City to pay Base Rental Payments will be abated during any period in which, by reason of any damage, destruction, condemnation or impairment of leasehold interest, there is substantial interference with the use and occupancy of the Leased Property or any portion thereof by the City. Such abatement will be in an amount agreed upon by the City and the Authority such that the resulting Base Rental Payments in any year during which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or impairment do not substantially interfere with the City's use and right of possession. Such abatement will continue for the period commencing with the date of such interference and ending with the

restoration of the Leased Property to tenantable condition. The City has waived any right to terminate the Sublease by virtue of such damage, destruction or condemnation.

In the event of an abatement of Base Rental Payments, debt service on the Bonds may, to a certain limited extent, be covered by insurance proceeds. The City is required under the Sublease to procure and maintain rental interruption insurance, throughout the term of the Sublease, to cover loss, total or partial, of the use of any part of the Leased Property as the result of fire, extended coverage, vandalism, malicious mischief and other perils described in the Sublease and the resulting loss of rental income to the Trustee in an amount sufficient to pay the maximum remaining principal and interest portions of Base Rental Payments due under the Sublease during a period of at least 24 months. The Net Proceeds of such insurance will be paid to the Trustee for deposit in the Lease Revenue Fund and shall be credited towards the payment of Base Rental Payments in the order in which such Base Rental Payments become due and payable.

In addition, if (a) the Leased Property is destroyed (in whole or in part) or is damaged by fire or other casualty, (b) title to, or the temporary use of, any portion of the Leased Property or the estate of the Authority or the City in the Leased Property or any portion shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or corporation acting under governmental authority or (c) leasehold interest in the Leased Property is materially impaired by reason of a defect of title, and if the proceeds of any insurance or the condemnation award received by the City relating thereto (together with any other money that the City in its sole discretion has determined to use for such purpose) are at least sufficient to redeem all of the then Outstanding Bonds, then the City may elect to use such proceeds to prepay all of the remaining Base Rental Payments and cause an extraordinary redemption of all of the Outstanding Bonds. See "THE BONDS – Redemption – *Extraordinary Redemption*."

See also "BONDOWNERS' RISKS – Abatement" and "– Risk of Uninsured Loss;" and "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Sublease –Abatement of Rental", "– Other Insurance" and "– Damage, Destruction and Condemnation; Application of Net Proceeds."

### **Substitution of Property**

The Leased Property may be substituted, in whole or in part, by other properties, or a portion of the Leased Property may be released from the Sublease, at the option of the City; provided, that the following conditions will have been satisfied:

(i) such substitution or release will not, in the opinion of Bond Counsel, adversely affect the tax-exempt status of the Bonds;

(ii) the City will have obtained an appraisal from an MAI certified appraiser showing that the appraised value of the Leased Property, after the proposed substitution or release, shall be equal to or greater than the aggregate amount of the remaining unpaid principal component of the Base Rental (i.e., the principal amount of the Outstanding Bonds);

(iii) the City will certify to the Authority and the Trustee that the annual fair rental value of the Leased Property, after such substitution or release, is at least equal to the maximum annual Base Rental remaining unpaid under the terms of the Sublease;

(iv) the City will notify the rating agency (or agencies) then rating the Bonds regarding such substitution or release and will have received confirmation that such substitution or release will not, in and of itself, result in a reduction of such rating(s) on the Bonds;

(v) in the event that the substituted property will consist in whole or in part of real property, a California Land Title Association insurance policy (or, at the City's sole discretion, an American Land Title Association insurance policy) on the substituted property has been obtained and evidence that any existing title insurance with respect to the portion of the Leased Property remaining after such substitution is not affected; and

(vi) the Sublease will be amended to properly reflect such substitution or release.

See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Sublease – Substitution or Release of Property."

### **Additional Obligations**

The City is permitted to enter into other obligations which constitute additional charges against its general fund revenues without the consent of Owners of the Bonds. In addition, the Authority may from time to time issue one or more Series of Additional Bonds payable from and secured by Revenues on parity with all other Outstanding Bonds, subject to the conditions set forth in the Indenture, among which are the delivery by the Authority of a certificate in which the Authority will:

(i) certify that the Authority is in compliance with all agreements and covenants contained in the Indenture in all material respects and that no Event of Default has occurred or is continuing;

(ii) state that the Authority and the City have entered into an amendment to the Sublease pursuant to which the City will be obligated to make Base Rental Payments at times and in amounts sufficient to provide for payment of the principal of and interest on the Bonds (including such Additional Bonds) which will be Outstanding following the sale and delivery of such Additional Bonds;

(iii) state that provisions have been made for the deposit into the Reserve Subaccount for such Series of Additional Bonds, to the extent the Supplemental Indenture requires such a deposit; and

(iv) provide such additional statements as may be reasonably necessary to show compliance with the requirements of the Indenture.

See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Indenture – Additional Bonds."

## **LEASED PROPERTY**

### **Lease of the Leased Property**

The Leased Property consists of the city hall and library site located at 30001 Ladyface Court and the improvements thereon, all of which is owned by the City. Simultaneously with the delivery of the Bonds, the Authority will acquire a leasehold interest in the Leased Property from the City. The Authority will sublease the Leased Property to the City pursuant to the Sublease. While the City is in possession of the Leased Property, all maintenance and repair of the Leased Property is the responsibility of the City. Pursuant to the Sublease, the City may substitute the Leased Property, in whole or in part, with other properties, upon the satisfaction of certain conditions. See "SECURITY FOR THE BONDS" and "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Sublease."

The City has not granted any security interest in the Leased Property for the benefit of the Bonds, and there is no remedy of foreclosure on the Leased Property upon the occurrence of an Event of Default under the Indenture or the Sublease. For a discussion of remedies upon an Event of Default under the Indenture or the Sublease, see “BONDOWNERS’ RISKS – Limited Recourse on Sublease Default” and “—Limitations on Remedies.”

**Description of the Leased Property**

The city hall and library facilities at 30001 Ladyface Court were constructed in 2000 for an approximate cost of \$8.44 million. The 3.2 acre site is fully landscaped and includes parking and lighting. The city hall is approximately 18,000 square feet and the library is an approximately 19,500 square foot public library facility operated by the County, including a 2,000 square foot underground parking garage. After the issuance of the Bonds, the County will continue to operate the library under a sublease agreement with the City. The city hall includes a council chamber, lobby, and office and meeting space for all City departments. Both facilities are single-story structures with fire sprinklers and stucco exteriors. The buildings met all seismic requirements at the time of completion as well as all seismic recommendations based on findings from the 1994 Northridge Earthquake. The City calculated the value of the Leased Property, based on current insurance coverage, at more than \$21.1 million, excluding the value of the land. The City also obtained a land appraisal of the 3.2 acre site. The appraiser has valued the land at the site at \$2.8 million. Together the total value of the land and improvements are estimated to exceed \$23.9 million. The Leased Property is not subject to a security interest, mortgage or any other lien in favor of the Trustee for the benefit of Bond Owners.





## **THE AUTHORITY**

The Agoura Hills Improvement Authority (the “Authority”) was established pursuant to a Joint Exercise of Powers Agreement, dated as of June 1, 2013, by and between the City and the Agoura Hills Parking Authority, in accordance with the provisions of Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Joint Powers Law”). The Authority was created for the purpose of assisting in the financing and refinancing of public capital improvements for the City. Under the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code Section 6854 et seq.), the Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is governed by a five-member Board of Directors which consists of the City Council of the City. The Chairman of the Authority is the Mayor of the City, and the Vice-Chairman of the Authority is the Mayor Pro Tem of the City. The City Manager acts as its Chief Administrative Officer, the City Clerk acts as its Secretary, and the Finance Director acts as its Treasurer.

The Authority has no taxing power. The Authority and the City are each separate and distinct legal entities, and the debts and obligations of one such entity are not debts or obligations of the other entity.

## **THE CITY**

### **General**

The City is located in the foothills of the Santa Monica mountains in Los Angeles County, 40 miles northwest of downtown Los Angeles. The City is accessed by four freeway exits off U.S. 101, a major north-south highway, which runs through the City, and by taking Kanan Road 12.1 miles from the Pacific Coast Highway and the City of Malibu. The City is bordered by the communities of Calabasas to the east and Westlake Village to the west.

The City encompasses an area of approximately eight square miles and has an elevation that ranges from 936 to 2,036 feet above sea level. The City enjoys comfortable weather throughout the year with an average temperature of 65 degrees Fahrenheit and average annual rainfall of 19.5 inches per year.

The City is located in the northwest corner of the County and is within five miles of various City of Los Angeles communities in the San Fernando Valley, the City of Woodland Hills being the closest such community. The San Fernando Valley is a major economic area comprising an area of approximately 235 square miles. The San Fernando Valley is home to numerous well-known companies including CBS Studio Center, NBCUniversal, The Walt Disney Company, and Warner Bros. With a population of 19,770 as of January 1, 2023 (according to State of California Department of Finance estimates), the City is one of the smaller communities in the County.

The City provides a broad range of services, including general city administration, community development and planning, affordable housing, code enforcement, building department, community services, parks construction and maintenance, recreation programming, engineering, street construction and maintenance, drainage and flood control maintenance and various other support services. The City has contracted with Los Angeles County to provide sheriff, fire protection and animal control services. The City has contracted with G.I. Industries to provide solid waste collection services. Southern California Gas Company provides natural gas service to the City, Southern California Edison provides electric power to the City and the Las Virgenes Municipal Water District provides water and wastewater service to the City.

## City Government

The City is a general law city, which was incorporated on December 8, 1982. The City is governed by the council-manager form of municipal government. The City Council is composed of five members elected biennially at-large to four-year overlapping terms. The Mayor is selected annually by the City Council members to serve a one-year term. The City Manager is appointed by the City Council to supervise the administrative personnel and contract services. The City currently employs approximately 34 regular employees.

The current members of the City Council are as follows:

<b><u>Name and Office</u></b>	<b><u>Current Term Expires</u></b>
Illece Buckley Weber, <i>Mayor</i>	December 2024
Penny Sylvester, <i>Mayor Pro Tempore</i>	December 2024
Chris Anstead, <i>Council Member</i>	December 2026
Deborah Klein, <i>Council Member</i>	December 2026
Jeremy Wolf, <i>Council Member</i>	December 2026

The City Manager is appointed by the City Council. Below are brief biographies of the City Manager and the Finance Director:

*Nathan Hamburger, City Manager.* Mr. Hamburger joined the City of Agoura Hills in 2006, bringing a municipal government background of over six years. In 2020, he was appointed as City Manager, after serving as Assistant City Manager since 2013. Mr. Hamburger earned a Bachelor of Arts degree in Political Science with minors in Business Administration and Criminal Justice from California State University at Fullerton in 2000, and a Master's degree in Public Administration from the University of Southern California in 2002. He is a member of the International City/County Management Association (ICMA); California City Management Foundation (CCMF) and the Municipal Management Association of Southern California (MMASC). He served as an Executive Board member for MMASC for six years.

*Diego Ibanez, Director of Finance.* Diego Ibanez was appointed to the position of Director of Finance for the City of Agoura Hills in 2023. Prior to joining Agoura Hills, Mr. Ibanez served as the Chief Financial Officer for the City of Tulare in Central California, the Finance Director/City Treasurer for the City of San Fernando, and the Director of Finance for the City of California City in Kern County. Mr. Ibanez started his public sector career as a transit analyst with the City of Santa Monica. Mr. Ibanez earned a Bachelor of Arts degree in Political Science with a minor in Legal Studies from the University of California, Santa Cruz. He earned an M.A. in Public Policy and Administration with a concentration on Advanced Policy Analysis from Columbia University in New York City, where he studied International and Public Affairs. Mr. Ibanez also has an MBA in Finance from Indiana University's Kelley School of Business in Bloomington, Indiana. He is an active member with the Government Finance Officers Association and the California Society of Municipal Finance Officers.

## Population

The City's population was approximately 19,770 as of January 1, 2023, according to the California State Department of Finance's estimates. The table below shows the population and population growth in the City and the County from January 1, 2014 through January 1, 2023:

**TABLE 1**  
**City of Agoura Hills**  
**City and County Population**  
**2014 through 2023**

Year <sup>(1)</sup>	City		County	
	Population	Growth Rate	Population	Growth Rate
2014	20,743	0.49	10,078,942	0.69
2015	20,811	0.33	10,124,800	0.45
2016	20,832	0.10	10,150,386	0.25
2017	20,794	-0.01	10,181,162	0.30
2018	20,763	-0.01	10,192,593	-0.11
2019	20,680	-0.01	10,163,139	-0.29
2020	20,599	-0.01	10,135,614	-0.27
2021	20,044	-2.69	9,942,011	-1.91
2022	19,776	-1.34	9,834,503	-1.08
2023 <sup>(2)</sup>	19,770	0.00	9,761,210	-0.75

(1) As of January 1 of each year.

(2) Latest data available.

Source: State of California, Department of Finance.

## Employment

The following table shows certain employment statistics for the City and the County for the last five calendar years.

**TABLE 2**  
**City of Agoura Hills**  
**City and County Employment Statistics**  
**Calendar Years 2019 through 2023<sup>(1)</sup>**

Year	City			County
	Labor Force	Employed	Unemployment Number	Unemployment Rate
2019	11,600	11,100	500	4.5%
2020	10,900	9,800	1,100	8.2
2021	11,000	10,200	700	8.9
2022	11,100	10,600	500	4.9
2023 <sup>(2)</sup>	11,100	10,600	500	5.0

(1) Data not seasonally adjusted. Figures represent the 12-month average for each such year.

(2) Preliminary, as of November 2023.

Source: State of California, Employment Development Department.

The following table lists the major area employers in the City for Fiscal Year 2022-23.

**TABLE 3**  
**City of Agoura Hills**  
**Major Area Employers**  
**Fiscal Year 2022-23**

Company or Organization	Activity	Employees	% of total City Employment
Las Virgenes USD <sup>(1)</sup>	Government	534	4.77%
National Veterinary Associates, Inc.	Veterinary Services	347	3.10
Visual Concepts Entertainment	Software Development	655	5.85
Private National Mortgage Acceptance Company, LLC	Banking	294	2.63
A2 Biotherapeutics, Inc.	Research & Development	262	2.34
Teradyne, Inc.	Manufacturing	209	1.87
Motor Vehicle Software Corp/MITU	Technology	490	4.38
Joni and Friends	Non-Profit	200	1.79
Epsilon Data Management LLC	Advertising Services	121	1.08
Cydcor LLC	Administrative Services	138	1.23
Wood Ranch	Restaurant	137	1.22
	<b>Total Top Employers</b>	<b>3,387</b>	<b>30.24%</b>
	<b>Total City Employment<sup>(2)</sup></b>	<b>11,200</b>	

(1) Employee Count is based on Agoura Hills school sites only

(2) Total City Employment provided by Employment Development Department Labor Force Data.

Results based on direct correspondence with city's local businesses.

Source: City of Agoura Hills Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2023.

## Commerce

The table below shows the City's sales tax revenues by business types for calendar years 2018-2022.

**TABLE 4**  
**City of Agoura Hills**  
**Sales Tax Revenues by Type of Business**  
**Calendar Years 2018 through 2022**  
**(in Thousands of Dollars)**

	2018	2019	2020	2021	2022
Autos and Transportation	\$ 133	\$ 436	\$ 135	\$ 364	\$ 493
Building and Construction	225	239	257	252	284
Business and Industry	633	562	584	586	635
Food and Drugs	271	265	285	277	319
Fuel and Service Stations	774	772	520	842	884
General Consumer Goods*	810	869	811	1,034	1,029
Restaurants and Hotels	756	733	593	783	874
<b>Total</b>	<b>\$3,602</b>	<b>\$3,876</b>	<b>\$3,185</b>	<b>\$4,138</b>	<b>\$4,519</b>

\*Includes Other Taxable

Source: City of Agoura Hills Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2023.

## Assessed Value and Construction Activity

The following is a summary of the construction permits issued by the City for the last five fiscal years.

**TABLE 5**  
**City of Agoura Hills**  
**Building Permits Issued and Values for Permits Issued**  
**Fiscal Years 2018-19 through 2022-23**

Fiscal Year	Building Permits	Value of Permits Issued		
		Commercial	Residential	Total
2018-19	906	\$12,267,625.00	\$12,271,872,.93	\$24,539,497.93
2019-20	784	16,668,366.00	13,167,256.59	29,835,622.59
2020-21	789	5,849,124.00	12,560,497.33	18,409,621.33
2021-22	985	4,811,815.00	17,280,069.00	22,091,884.00
2022-23	1,181	11,089,525.00	25,899,802.85	36,989,327.85

Source: City of Agoura Hills.

*[Remainder of page intentionally left blank]*

The following is a direct and overlapping debt report as of January 1, 2024, prepared by California Municipal Statistics, Inc. This report is included for informational purposes only. The City has not reviewed the report for completeness or accuracy and makes no representation in connection therewith.

**TABLE 6**  
**City of Agoura Hills**  
**Direct and Overlapping Debt**  
**As of January 1, 2024**

2023-24 Assessed Valuation: \$6,533,109,156

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 1/1/24</u>
Metropolitan Water District	0.169%	\$ 32,473
Los Angeles Community College District	0.575	29,953,245
Las Virgenes Joint Unified School District	22.140	38,952,055
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$68,937,773</b>

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>	<u>% Applicable</u>	<u>Debt 1/1/24</u>
Los Angeles County General Fund Obligations	0.326%	\$ 8,232,572
Los Angeles County Superintendent of Schools Certificates of Participation	0.326	9,315
Las Virgenes Joint Unified School District General Fund Obligations	22.140	1,843,377
<b>City of Agoura Hills General Fund Obligations</b>	<b>100.000</b>	<b>11,310,000</b> <sup>(1)</sup>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$21,395,264</b>

OVERLAPPING TAX INCREMENT DEBT (Successor Agency): 100.000% \$5,470,000

**COMBINED TOTAL DEBT** **\$95,803,037** <sup>(2)</sup>

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt .....	1.06%
<b>Total Direct Debt (\$11,310,000) .....</b>	<b>0.17%</b>
Combined Total Debt .....	1.47%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$989,252,306):

Total Overlapping Tax Increment Debt.....	0.55%
Combined Total Debt .....	1.47%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$989,252,306):

Total Overlapping Tax Increment Debt.....	0.55%
---	-------

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

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

Source: California Municipal Statistics.

## CITY FINANCIAL INFORMATION

### **Budgetary Process; City Budget for Fiscal Years 2023-24 through 2024-25**

The City has a two-year budget cycle. A budget calendar for the submission and approval process of the budget is prepared for each annual budget cycle. Initial annual, mid-year and final estimated budgets are prepared for all functions by the responsible department. Each operating budget details the activity areas of responsibility and performance level to meet the City Council's goals. A separate budget is prepared for capital improvement projects. The Finance Department is responsible for all personnel cost estimates and prepares the final budget submission to the City Manager. The City Manager's recommended preliminary budget is then submitted to the City Council for consideration and approval. A budget workshop is held to obtain citizen input. The City's Municipal Code requires the City Council to adopt a budget by resolution on or before the second regular meeting in July. During the year, supplemental budget amendments are considered and approved by the City Council to respond to unanticipated events.

*[Remainder of page intentionally left blank]*

The following table shows the City’s two-year budget for Fiscal Years 2023-24 and 2024-25, which was adopted by the City Council on June 28, 2023.

**TABLE 7**  
**City of Agoura Hills**  
**Adopted Two-Year Budget Summary**  
**Fiscal Years 2023-24 and 2024-25**

	<b>FY 2023-24 Adopted Budget</b>	<b>FY 2024-25 Adopted Budget</b>
<b>Starting Fund Balance</b>	\$13,716,578	\$13,847,669
<b>Operating Revenue</b>		
Taxes and Assessments	17,128,941	17,569,955
Licenses and permits	530,000	530,000
Fines and penalties	41,000	41,000
Investment income	300,000	300,000
Rental Income	460,000	460,000
Other revenues <sup>(1)</sup>	983,058	1,002,050
<b>Total Operating Revenue</b>	<b>\$19,442,999</b>	<b>\$19,903,005</b>
<b>Other Financing Sources</b>		
Charges for Services	\$1,120,500	\$1,075,500
Transfer In	0	0
<b>Total Other Financing</b>	<b>\$1,120,500</b>	<b>\$1,075,500</b>
<b>Total Revenue</b>	<b>\$20,563,499</b>	<b>\$20,978,505</b>
<b>Operating Expenses</b>		
Personnel Costs	6,191,252	6,856,402
Materials, Supplies and Services	2,999,853	3,016,376
Contract Services	9,333,020	9,326,549
Administrative Charges	1,000	1,000
Other Improvements and Projects	10,000	10,000
<b>Total Operating Expenses</b>	<b>\$18,535,125</b>	<b>\$19,210,328</b>
<b>Other Expenses</b>		
Capital Expenditures	224,133	203,913
Transfer Out <sup>(2)</sup>	1,673,150	1,382,035
<b>Total Other Expenses</b>	<b>1,897,283</b>	<b>1,585,948</b>
<b>Total Expenditures</b>	<b>\$20,432,408</b>	<b>\$20,796,276</b>
<b>Net of Revenue/Expenditures</b>	<b>131,091</b>	<b>182,229</b>
<b>Balance at end of fiscal year</b>	<b>\$13,847,669</b>	<b>\$14,029,898</b>

(1) The Other Revenues Budget includes \$831,058 and \$890,050 for a loan repayment from the Successor Agency to the City in Fiscal Years 2023-24 and 2024-25, respectively. This loan repayment is not considered current revenue for GAAP purposes in the unaudited financial statements. It is considered a reconciling item.

(2) Represents payments to the Capital Projects and Facilities Funds, the CalPERS Set Aside Fund, for debt service on the 2013 Bonds and the 2016 Bonds, and to the Low and Moderate Income Housing Asset Fund in connection with dissolution of the former Agoura Hills Redevelopment Agency. See Note (2) under Table 9 and discussion under “CITY FINANCIAL INFORMATION—Property Taxes—*Redevelopment Dissolution*” below for more information regarding dissolution of the former Agoura Hills Redevelopment Agency.

Source: City of Agoura Hills Adopted Budget for Fiscal Year 2023-24 and 2024-25.



The following Table 8 shows the City's budget and actual results for General Fund revenues and expenditures for fiscal years 2020-21 through 2022-23.

**TABLE 8**  
**City of Agoura Hills**  
**General Fund Budget Summary**  
**Fiscal Years 2020-21 through 2022-23**

	<b>FY 2020-21 Adopted Budget</b>	<b>FY 2020-21 Audited Actual</b>	<b>FY 2021-22 Adopted Budget</b>	<b>FY 2021-22 Audited Actual</b>	<b>FY 2022-23 Adopted Budget</b>	<b>FY 2022-23 Audited Actual</b>
<b>Revenues</b>						
Taxes	\$12,403,622	\$12,807,155	\$15,474,989	\$16,149,481	\$16,443,770	\$16,163,128
Licenses and permits	433,000	525,474	588,000	661,623	623,000	790,556
Intergovernmental <sup>(1)</sup>	--	2,400,212 <sup>(1)</sup>	--	--	--	--
Charges for services	661,500	712,427	962,600	982,875	956,400	1,066,162
Use of money and property	180,500	411,545	410,000	657,320	587,000	1,024,449
Fines and forfeitures	32,000	46,820	64,000	67,038	45,000	45,574
Contributions	10,000	7,200	10,000	8,837	36,500	36,789
Miscellaneous <sup>(2)</sup>	3,878,686	556,383	3,885,158	2,845,403 <sup>(1)</sup>	847,657	279,761
<b>Total Revenues</b>	<b>\$17,599,308</b>	<b>\$17,467,216</b>	<b>\$21,394,747</b>	<b>\$21,372,577</b>	<b>\$19,539,327</b>	<b>\$19,406,419</b>
<b>Expenditures</b>						
General government	\$4,183,531	\$4,021,505	\$4,963,123	\$4,984,000	\$6,052,863	\$6,017,099
Public safety	4,928,380	4,851,220	4,912,299	4,872,999	5,200,179	5,109,266
Community development	2,266,261	2,121,753	2,667,300	2,621,705	2,204,896	2,282,015
Community services	1,843,048	1,650,633	2,444,984	2,440,062	3,073,800	3,047,204
Public works	1,237,101	1,197,671	1,569,921	1,532,950	1,741,434	1,655,114
Capital Outlay	118,000	126,794	218,200	94,970	234,200	194,788
<b>Total Expenditures</b>	<b>14,576,321</b>	<b>\$13,969,576</b>	<b>\$16,775,827</b>	<b>\$16,546,686</b>	<b>\$18,507,372</b>	<b>\$18,305,486</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,022,987</b>	<b>3,497,640</b>	<b>4,618,920</b>	<b>4,825,891</b>	<b>1,031,955</b>	<b>1,100,933</b>
Transfers in	--	--	--	250,000	--	--
Transfers out	(1,039,825)	(1,039,825)	(2,186,005)	(2,186,005)	(1,147,505)	(1,363,005)
<b>Total other sources(uses)</b>	<b>(\$1,039,825)</b>	<b>(\$1,039,825)</b>	<b>(\$2,186,005)</b>	<b>(\$1,936,005)</b>	<b>(\$1,147,505)</b>	<b>(\$1,363,005)</b>
<b>Net change in fund balance</b>	<b>\$1,983,162</b>	<b>\$2,457,815</b>	<b>\$2,432,915</b>	<b>\$2,889,886</b>	<b>\$(115,500)</b>	<b>\$(262,072)</b>
<b>Balance at beginning of fiscal year</b>	<b>\$34,884,578</b>	<b>\$34,884,578</b>	<b>\$36,928,885</b>	<b>\$37,342,393</b>	<b>\$39,512,281<sup>(3)</sup></b>	<b>\$40,117,279<sup>(3)</sup></b>
<b>Balance at end of fiscal year</b>	<b>\$36,867,740</b>	<b>\$37,342,393</b>	<b>\$39,361,800</b>	<b>\$40,232,279<sup>(3)</sup></b>	<b>\$39,396,731</b>	<b>\$39,855,207</b>

(1) The City received funding from the American Rescue Plan Act of 2021 (ARPA) in the amount of \$4.8 million, with \$2.4 million received in Fiscal Year 2020-21 and allocated to Intergovernmental revenues, and \$2.4 million received in Fiscal Year 2021-22 and allocated to miscellaneous revenues.

(2) Includes miscellaneous revenue, tourism administration fees and library reimbursements. For Fiscal Year 2021-22, includes \$2.4 million of funding from the American Rescue Plan Act of 2021 (ARPA).

(3) Beginning fund balance for Fiscal Year 2022-23 was restated from fund balance at end of Fiscal Year 2021-22 in the amount of \$115,000 to account for land value originally intended for resale but is anticipated to be donated.

Source: City of Agoura Hills Budgets and Annual Comprehensive Financial Reports for Fiscal Years Ended June 30, 2021, 2022 and 2023.

## **General Fund Reserve Policy**

The City has a reserve policy that designates at least 40 percent of each year's proposed General Fund Operating budget as the City's unobligated General Fund reserve. The City Council established the policy with the adoption of Resolution No. 05-1378 on June 22, 2005.

## **Debt Policy**

The City Council adopted a debt policy for the City on June 26, 2019. The policy specifies that the term of a bond issue is not-to-exceed the economic life of the facilities or project that is being financed, unless specific circumstances exist that would mitigate the extension of time to repay the debt and it would not cause the City to violate any covenants to maintain the tax-exempt status of such debt, if applicable. The City is to remain cognizant of fluctuations in interest rates for the purpose of identifying refunding opportunities. The City will refund existing bonds to reduce overall debt service expense or to remove restrictive covenants in the existing indenture.

The City will carefully monitor its levels of general-purpose debt, only using general purpose debt financing for high-priority projects where other financing methods cannot reasonably be used. In evaluating debt capacity, general-purpose annual debt service payments should generally not exceed 10% of General Fund revenues; and in no case should they exceed 15%. Further, direct debt will not exceed 2% of assessed valuation.

## **COVID-19 Pandemic**

Early in the COVID-19 pandemic, the City experienced decreased sales tax and transient occupancy tax General Fund revenues due to the shelter-in-place orders and decreased tourism. However, such revenues rebounded in the City beginning in Fiscal Year 2021-22. In addition, the City received funding from the American Rescue Plan Act of 2021 (ARPA) in the amount of \$4.8 million, with \$2.4 million received in each of Fiscal Year 2020-21 and Fiscal Year 2021-22.

There can be no assurances that any future spread of COVID-19 and/or responses intended to slow the spread of COVID-19 or new public health emergencies such as declining business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the City and the City's General Fund in the future. See "BOND OWNERS' RISKS – Public Health Emergencies."

## **Financial Statements**

Set forth in the following pages are the City's General Fund balance sheets and statements of revenues, expenditures and changes in General Fund balance for fiscal years 2018-19 through 2022-23, based on the City's audited financial statements. The balance sheets and statements presented in this Official Statement are subject to the various notes attached to the City's audited financial statements for the respective years. The City's Annual Comprehensive Financial Report for fiscal year ended June 30, 2023, which includes the City's 2022-23 audited financial statements, are set forth in Appendix A. A complete copy of the City's Annual Comprehensive Financial Reports for the prior years, can be obtained from the City's Finance Department and are available on the City's website.

**TABLE 9**  
**City of Agoura Hills**  
**General Fund Balance Sheets**  
**Fiscal Years 2018-19 through 2022-23**

	2018-19	2019-20	2020-21	2021-22	2022-23
<b>ASSETS</b>					
Cash and investments	\$ 7,318,379	\$ 6,523,639	\$ 6,284,195	\$ 7,390,964	\$12,004,415
Accounts receivable	818,669	286,392	583,392	1,107,551	1,068,715
Interest receivable	86,315	46,612	10,476	30,021	94,569
Other	2,624	2,624	2,624	2,624	--
Prepaid costs	17,949	55,942	25,555	40,583	85,199
Due from other governments	1,188,290	1,021,509	3,789,021	3,933,529	1,368,932
Due from other funds	2,323,968	2,113,856	3,561,530	4,179,643	2,637,323
Advances to Successor Agency <sup>(1)</sup>	26,301,965	26,359,251	26,134,230	25,781,570	25,477,462
Land held for resale	115,000	115,000	115,000	115,000	--
<b>Total assets</b>	<b>\$38,173,159</b>	<b>\$36,524,825</b>	<b>\$40,506,023</b>	<b>\$42,581,485</b>	<b>\$42,736,615</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,841,968	\$ 1,339,579	\$ 1,908,577	\$ 667,317	\$ 1,507,231
Accrued liabilities	167,153	148,983	124,821	33,542	23,905
Deposits payable	-	-	968,415	1,229,139	955,319
<b>Total liabilities</b>	<b>\$2,009,121</b>	<b>\$1,488,562</b>	<b>\$3,001,813</b>	<b>\$1,929,998</b>	<b>\$2,486,455</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues	\$141,167	\$151,685	\$161,817	\$419,208	\$394,953
<b>Total deferred inflow of resources</b>	<b>\$141,167</b>	<b>\$151,685</b>	<b>\$161,817</b>	<b>\$419,208</b>	<b>\$394,953</b>
<b>FUND BALANCES:</b>					
Nonspendable:	--	--	--	--	--
Prepaid costs	\$ 17,949	\$ 55,942	\$ 25,555	\$ 40,583	\$ 85,199
Land held for resale	115,000	115,000	115,000	115,000	--
Advances to Successor Agency	26,301,965	26,359,251	26,134,230	25,781,570	25,477,462
Committed:	--	--	--	--	--
Capital projects	208,117	212,419	213,743	404,362	515,117
CalPERS Set Aside	150,733	198,529	199,765	200,636	103,753
Open Space	--	--	--	--	110,147
Unassigned	9,229,107	7,943,437	10,654,100	13,690,128	13,563,529
<b>Total Fund Balance</b>	<b>\$36,022,871</b>	<b>\$34,884,578</b>	<b>\$37,342,393</b>	<b>\$40,232,279</b>	<b>\$39,855,207</b>
<b>Total liabilities, Deferred Inflows &amp; Fund balance</b>	<b>\$38,173,159</b>	<b>\$36,524,825</b>	<b>\$40,506,023</b>	<b>\$42,581,485</b>	<b>\$42,736,615</b>

(1) In January 2011, the City executed an agreement for amounts that the City advanced to the former Redevelopment Agency since April of 1988. In 2012, the Dissolution Act was passed (see discussion under "CITY FINANCIAL INFORMATION—Property Taxes—Redevelopment Dissolution" below), which dissolved the former Redevelopment Agency on February 1, 2012, and placed strict limits on repayment of the former Redevelopment Agency's obligations. Pursuant to the Health and Safety Code Sections 34183(a) and 34191.4(b)(2)(A), the Successor Agency is limited in the amount it can repay of the loan each fiscal year to an amount equal to one-half of the increase between the surplus tax revenue distributed to taxing entities within the former Redevelopment Agency project area in that fiscal year and the amount distributed to such taxing entities as surplus tax revenues in the 2012-2013 base year. The Dissolution Act requires that 20% of the loan repayment be transferred to the Housing Successor Agency for deposit in the Low and Moderate Income Housing Asset Fund, with the remainder of the loan repayment being unrestricted General Fund revenues and will be repaid through 2042. For budgeting purposes the City treats the loan repayment from the Successor Agency as current year revenue. For Fiscal Years 2023-2024 and 2024-2025, the budget includes \$831,058 and \$890,050, respectively, in loan repayments to the City.

Source: City of Agoura Hills Annual Comprehensive Financial Reports for Fiscal Years shown.

**TABLE 10**  
**City of Agoura Hills**  
**Statements of Revenues, Expenditures and Changes in General Fund Balance**  
**Fiscal Years 2018-19 through 2022-23**

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-2022</u>	<u>FY 2022-23</u>
<b>Revenues</b>					
Taxes	\$13,431,999	\$12,544,465	\$12,807,155	\$16,149,481	\$16,163,128
Licenses and permits	589,666	567,474	525,474	661,623	790,556
Intergovernmental <sup>(1)</sup>	--	--	2,400,212 <sup>(1)</sup>	--	--
Charges for services	1,187,542	741,487	712,427	982,875	1,066,162
Use of money and property	1,085,217	802,917	411,545	657,320	1,024,449
Fines and forfeitures	60,590	48,949	46,820	67,038	45,574
Contributions	43,602	16,544	7,200	8,837	36,789
Miscellaneous <sup>(2)</sup>	192,945	1,626,934	556,383	2,845,403 <sup>(1)</sup>	279,761
<b>Total Revenues</b>	<b><u>\$16,591,561</u></b>	<b><u>\$16,348,770</u></b>	<b><u>\$17,467,216</u></b>	<b><u>\$21,372,577</u></b>	<b><u>\$19,406,419</u></b>
<b>Expenditures</b>					
General government	\$ 4,769,601	\$ 4,375,765	\$ 4,021,505	\$ 4,984,000	\$ 6,017,099
Public safety	4,772,242	4,991,586	4,851,220	4,872,999	5,109,266
Community development	1,748,679	2,129,928	2,121,753	2,621,705	2,282,015
Community services	2,869,701	2,543,729	1,650,633	2,440,062	3,047,204
Public works	2,111,981	1,834,531	1,197,671	1,532,950	1,655,114
Capital Outlay	218,177	144,264	126,794	94,970	194,788
<b>Total Expenditures</b>	<b><u>\$16,490,381</u></b>	<b><u>\$16,019,803</u></b>	<b><u>\$13,969,576</u></b>	<b><u>\$16,546,686</u></b>	<b><u>\$18,305,486</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b><u>\$ 101,180</u></b>	<b><u>\$ 328,967</u></b>	<b><u>\$ 3,497,640</u></b>	<b><u>\$ 4,825,891</u></b>	<b><u>\$ 1,100,933</u></b>
Transfers in	1,648	--	--	250,000	--
Transfers out	(1,342,011)	(1,467,260)	(1,039,825)	(2,186,005)	(1,363,005)
<b>Total other sources(uses)</b>	<b><u>\$ (1,340,363)</u></b>	<b><u>\$(1,467,26)</u></b>	<b><u>\$(1,039,825)</u></b>	<b><u>\$ (1,936,005)</u></b>	<b><u>\$ (1,363,005)</u></b>
<b>Net change in fund balance</b>	<b><u>\$ (1,239,183)</u></b>	<b><u>\$(1,138,293)</u></b>	<b><u>\$ 2,457,815</u></b>	<b><u>\$ 2,889,886</u></b>	<b><u>\$ (262,072)</u></b>
Balance at beginning of fiscal year	\$37,262,054	\$36,022,871	\$34,884,578	\$37,342,393	\$40,117,279 <sup>(3)</sup>
<b>Balance at end of fiscal year</b>	<b><u>\$36,022,871</u></b>	<b><u>\$34,884,578</u></b>	<b><u>\$37,342,393</u></b>	<b><u>\$40,232,279<sup>(3)</sup></u></b>	<b><u>\$39,855,207</u></b>

(1) The City received funding from the American Rescue Plan Act of 2021 (ARPA) in the amount of \$4.8 million, with \$2.4 million received in Fiscal Year 2020-21 and allocated to Intergovernmental revenues, and \$2.4 million received in Fiscal Year 2021-22 and allocated to miscellaneous revenues.

(2) Includes miscellaneous revenue, tourism administration fees and library reimbursements. For Fiscal Year 2021-22, includes \$2.4 million of funding from the American Rescue Plan Act of 2021 (ARPA)

(3) Beginning fund balance for Fiscal Year 2022-23 was decreased from fund balance at end of Fiscal Year 2021-22 in the amount of \$115,000 to account for land value originally intended for resale but is anticipated to be donated.

Source: City of Agoura Hills Annual Comprehensive Financial Reports for Fiscal Years shown.

### Primary General Fund Revenue Sources

Sales tax, property tax, and transient occupancy tax revenues were the top three sources of revenues for the General Fund for fiscal year 2022-23. The table below provides the amount of sales tax, property tax and transient occupancy tax revenues and the share of General Fund revenues that each represents for fiscal years 2020-21 through 2022-23.

**TABLE 11**  
**City of Agoura Hills**  
**Property Tax, Sales Tax and Transient Occupancy Tax Revenues**  
**Fiscal Years 2020-21 through 2022-23**

Revenue Source	2020-21		2021-22		2022-23	
	Revenues	% of General Fund Revenues	Revenues	% of General Fund Revenues	Revenues	% of General Fund Revenues
Sales Tax	\$4,382,974	25.09%	\$5,555,147	25.99%	\$5,167,372	26.63%
Property Tax <sup>(1)</sup>	3,611,075	20.67	3,698,852	17.31	3,585,424	18.48
Transient Occupancy Tax	1,494,022	8.55	3,426,496	16.03	3,512,964	18.10
Property Tax in lieu of VLF <sup>(1)(2)</sup>	2,498,706	14.30	2,588,444	12.11	2,739,417	14.12
<b>Total General Fund Revenues</b>	<b>\$17,467,216</b>	<b>100.00%</b>	<b>\$21,372,577</b>	<b>100.00%</b>	<b>\$19,406,419</b>	<b>100.00%</b>

(1) Includes property tax and residual taxes from the former redevelopment agency.

(2) See Vehicle License Fee discussion below.

Source: City of Agoura Hills audited financial statements for Fiscal Year Ended June 30, 2023.

### Sales Taxes

A sales tax is imposed on retail sales or consumption of personal property. As shown in Table 11, sales tax revenues represented the largest source of revenue for the City in fiscal year 2022-23, comprising approximately 26.63 percent of the City's total revenues. See Table 4 above under the caption "THE CITY – Commerce" for information regarding taxable transactions in the City for calendar years 2018 through 2022.

Sales Tax Rates. The City's sales tax revenue represents the City's share of the sales and use tax, imposed on taxable transactions occurring within the City's boundaries. The sales tax is governed by the Bradley-Burns Uniform Local Sales and Use Tax.

The tax rate is established by the State Legislature. The aggregate tax rate in the State is eight percent (8.00%). An additional one and a half percent (1.50%) is imposed in the County. Los Angeles County voters approved Measure A in 1980, Measure C in 1990, and Measure R in 2008 to finance transportation programs and improvements. The State collects and administers the tax, and makes distributions on taxes collected within the City, as follows:

**TABLE 12**  
**City of Agoura Hills**  
**Sales Tax Rates**  
**As of March 1, 2024**

Jurisdiction	Rate
State	8.00%
Measure A	0.50
Measure C	0.50
Measure R	0.50
<b>Total</b>	<b>9.50%</b>

Source: State of California, Board of Equalization.

The State's actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution and are determined on a quarterly basis.

## **Property Taxes**

Property taxes were the second largest revenue source to the City in fiscal year 2022-23. Revenues from property taxes, at \$3,585,424, represented 18.48 percent of the City's General Fund revenues in fiscal year 2022-23.

Proposition 13 Limitations. Article XIII A of the State of California Constitution imposes limits on annual adjustments to real property assessed values and to the amount of *ad valorem* tax that may be levied on real property. See "LIMITATIONS ON TAX REVENUES AND APPROPRIATIONS – Article XIII A."

Tax Levies and Delinquencies. Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Effective July 1, 1983, real property that changes ownership or is newly constructed is reassessed at the time the change in ownership occurs or the new construction is completed. If the property is reassessed at a higher value, one or more supplemental tax statements will be added to the annual tax bill. If the property is reassessed at a lower value, the property owner may receive a refund.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. If the first installment is not paid by December 10, a ten percent delinquent penalty is added to any unpaid balance. If the second installment is not paid by April 10, a ten percent penalty plus a charge of \$10 is added to the unpaid balance. Since supplemental tax bills are mailed throughout the year, they may or may not be due or delinquent at the same time as annual tax bills. The same penalties and charges accrue for delinquent supplemental taxes as for delinquent annual taxes.

Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5 percent of the unpaid tax per month to the time of redemption, plus costs and a redemption fee. If taxes remain unpaid for a period of five years following tax default, the property becomes subject to the County Tax Collector's power of sale. Properties may be redeemed under an installment plan by paying the current year's taxes, plus an initial payment of twenty percent of the redemption amount and an installment setup fee. The installment plan of redemption allows for the payment of delinquent taxes over a five-year period beginning the date the installment plan account is opened. An installment plan account can be opened any time after the property becomes tax defaulted and within five years of that date. After the five-year period an installment plan account may not be opened, as the property becomes subject to the County Tax Collector's power of sale.

Property taxes on the unsecured roll are due as of the January 1 lien date and, in general, become delinquent on August 31 and are thereafter subject to a ten percent penalty plus a collection fee. If unsecured taxes are unpaid on October 31, an additional penalty of 1.5 percent attaches to them on the first day of each month until paid. The City has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the clerk of the court specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4)

seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee.

Assessed Valuation. The table below presents the assessed valuation (secured and unsecured) of taxable property in the City for the last five fiscal years.

**TABLE 13**  
**City of Agoura Hills**  
**Assessed Values of All Taxable Property<sup>(1)</sup>**  
**Fiscal Years 2019-20 through 2023-24**

Fiscal Year	Secured Valuation	Unsecured Valuation	Total Valuation	Percent Change of Total Valuation
2019-20	\$4,327,282,685	\$18,852,198	\$4,346,134,883	4.04%
2020-21	4,498,942,626	17,568,707	4,516,511,333	3.92
2021-22	4,640,841,380	17,460,795	4,658,302,175	3.14
2022-23	4,905,952,742	16,936,491	4,922,889,233	5.68
2023-24	5,185,503,082	18,916,788	5,204,419,870	5.72

(1) Excludes secured and unsecured assessed values of properties included in the former redevelopment project area.

Source: City of Agoura Hills, based on information provided by the Los Angeles County Auditor-Controller.

Redevelopment Dissolution. The State’s Community Redevelopment Law (codified in Part 1 of Division 24 of the California Health and Safety Code) authorized the redevelopment agency of any city or county to receive an allocation of tax revenues resulting from increases in assessed values of properties within designated redevelopment project areas (the “incremental value”) occurring after the year the project area is formed. In effect, local taxing agencies, such as the City, realize tax revenues only in the assessed value of such property at the time the redevelopment project is created for the duration of such redevelopment project. Although Assembly Bill No. 26 (“AB X1 26”), enacted on June 29, 2011 as Chapter 5 of Statutes of 2011, statutorily dissolved redevelopment agencies as of February 1, 2012, the enforceable obligations of dissolved redevelopment agencies, continue to be paid from property taxes derived from such incremental value until the enforceable obligations are paid in full in accordance with Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 (“AB 1484”), enacted as Chapter 26, Statutes of 2012, and as such statutory provisions may further be amended from time to time (as amended, the “Dissolution Act”). Under the Dissolution Act, taxing entities, such as the City, are to receive distributions (in proportion to such taxing entity’s share of property tax revenues in the tax rate area for the applicable fiscal year) of residual amounts of property taxes attributable to incremental value on each June 1 and January 2, commencing June 1, 2012, after payment of (i) tax sharing obligations established previously pursuant to the Community Redevelopment Law, (ii) enforceable obligations of the successor agency to the former redevelopment agency, and (iii) an administrative cost allowance to such successor agency. As enforceable obligations of the former redevelopment agency and its successor agency are paid and retired, residual amounts of property tax revenues attributable to redevelopment project area incremental value are expected to increase over time.

The top ten taxpayers, based on local secured assessed values of taxable property in the City, as shown on the 2023-24 tax roll, are set forth in the following table:

**TABLE 14**  
**City of Agoura Hills**  
**Top Ten Taxpayers Based on Local Secured Assessed Value**  
**Fiscal Year 2023-24**

Rank	Taxpayer	Type of Business	Taxable Assessed Value (Millions)	% of Total City Taxable Assessed Value
1	Tishman Speyer Archstone Smith Oak Creek	Residential	\$140.0	2.15%
2	Agoura Road Apartments California Llc	Residential	87.4	1.34
3	Agoura Hills Hhg Hotel Development Lp	Commercial	61.2	0.94
4	Kids From The Valley Llc	Commercial	57.9	0.89
5	Khanna Enterprises Limited Lp	Commercial	48.7	0.75
6	Agoura Business Center Llc	Industrial	44.9	0.69
7	Arhc Mbaghca01 Llc	Unsecured	35.9	0.55
8	Fw California Twin Oaks Shopping Center	Commercial	35.5	0.54
9	Teradyne Inc	Commercial	32.1	0.49
10	Hankey Investment Company Lp	Commercial	31.2	0.48
<b>Total</b>			<b>\$575.0</b>	<b>8.81%</b>

Source: City of Agoura Hills.

### Transient Occupancy Taxes

Revenues from the transient occupancy taxes (“TOT”) also represent a significant source of revenues for the General Fund. In most years, the City’s third largest revenue source is TOT. However, due to the COVID-19 pandemic, TOT was the City’s fourth largest source of revenue in Fiscal Years 2019-20 and 2020-21. The transient occupancy tax is levied on persons staying 30 days or less in a hotel, inn, motel, tourist home or other lodging facility. The transient occupancy tax is applied to the customer’s lodging bill at a rate of 12%. The City’s transient occupancy tax revenues deposited in the General Fund were \$3,512,964 in fiscal year 2022-23 representing 22.05 percent of all General Fund revenues. The four sources of transient occupancy tax revenues in the City are the Courtyard & Townplace Suites, the Sheraton Hotel, the Hampton Inn, and Homewood Suites.

### Vehicle License Fee

The motor vehicle license fee (“VLF”) is a fee charged for the privilege of operating a vehicle on public streets. This fee is collected by the State’s Department of Motor Vehicles and disbursed to other governmental agencies by the State Controller. VLF was originally based on a rate equivalent to 2% of the market value of motor vehicles, which is imposed annually by the State “in-lieu” of property tax.

In 1999, the State began reducing the VLF rate charged to vehicle owners and backfilling city and county revenue losses with state subventions. The Fiscal Year 2005 State Budget reduced the VLF from 2% to 0.65% of the value of a vehicle and deleted the requirement for backfill payments, providing instead that the amount of the backfill requirement will be met by an increase in the property tax allocation to cities and counties. In fiscal year 2022-23, the City received \$2,739,417 in property tax revenues in lieu of VLF, representing 17.19 percent of the City’s General Fund revenues for fiscal year 2022-23.



## Franchise Fees

The City collects franchise fees for the use of streets and rights-of-way from a number of utility services provided by private parties including natural gas, cable services, and electricity. Solid waste collection services are provided by a contracted private party that also pays a franchise fee to the City. In fiscal year 2022-23, the City received \$928,113 in franchise tax revenues representing 5.82 percent of the City's General Fund revenues for fiscal year 2022-23.

## Investment Policy and Portfolio

The City has adopted policies and procedures for the management of the investment of unexpended funds for the City itself and for other entities of the city, including the Authority, for which the City provides financial management services. The three basic objectives of the policies and procedures are: safety of invested funds, maintenance of sufficient liquidity to meet cash flow needs and attainment of the maximum yield possible consistent with the first two objectives.

The policies and procedures require the Director of Finance to prepare an investment report in accordance with requirements of Government Code Section 53646. 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.

The City's investment policy authorizes the following investments under provisions of California Government Code Section 53601:

<u>Authorized Investments/Deposits</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (LAIF)	N/A	\$75 million	None
U.S. Treasuries	5 years	75%	20%
Federal Agency Securities	5 years	75%	20%
Commercial Paper	270 days	5%	5%
Negotiable Certificates of Deposit (CD)	5 years	30%	5%
Medium Term Corporate Notes	5 years	5%	5%
Bank Deposits	5 years	No limit	No limit
Money Market Funds	None	15%	15%

Portfolio as of December 31, 2023. As of December 31, 2023, the book value of the City's combined investment portfolio, general checking account and petty cash is \$21,846,471.97. The table below shows the City's investment portfolio, as categorized by types of investment securities:

**TABLE 15**  
**City of Agoura Hills**  
**Investment Report**  
**as of December 31, 2023**

Investment Type	Maturity	Interest Rate	Book Value	Market Value
Local Agency Investment Fund <sup>(1)</sup>	1 day	3.84%	\$17,178,690.64	\$17,067,770.08
Checking	n/a	0.00	\$1,000,000.00	\$1,000,000.00
Checking Sweep	1 day	5.23	\$3,666,981.33	\$3,666,981.33
Petty Cash	n/a	0.00	\$800.00	\$800.00
<b>Total</b>			<b>\$21,846,471.97</b>	<b>\$21,735,551.41</b>

(1) Per State Treasurer Report, dated June 30, 2023, LAIF has invested approximately 61.22 percent of its balance in Treasury bills and notes, 7.72 percent in certificates of deposit/bank notes, 5.71 percent in commercial paper, 3.34 percent in time deposits and 22.01 percent in others.

Source: City of Agoura Hills.

### Long-Term Liabilities

The City currently has two long-term liability payable from the General Fund: (i) its agreement to make semiannual lease payments to the Agoura Hills Improvement Authority in connection with the issuance of the Agoura Hills Improvement Authority’s Lease Revenue Bonds, Series 2013, in the original principal amount of \$3,675,000, of which \$2,930,000 remains outstanding, and will be refunded by the Series 2024B Bonds; and (ii) its agreement to make semiannual lease payments to the Agoura Hills Improvement Authority in connection with the issuance of the Agoura Hills Improvement Authority’s Lease Revenue Bonds, Series 2016, in the original principal amount of \$10,055,000, of which \$8,285,000 remains outstanding. See “APPENDIX A – CITY OF AGOURA HILLS ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2023.”

### Pension Plans

Plan Descriptions. All qualified permanent and probationary employees are eligible to participate in the City of Agoura Hill’s miscellaneous cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. The two Agoura Hills cost-sharing plans are Classic Miscellaneous and PEPRA Miscellaneous.

California Governor Jerry Brown signed the California Public Employee’s Pension Reform Act of 2013 (“PEPRA”) into law on September 12, 2012. For non-safety CalPERS participants hired after January 1, 2013 (the “Implementation Date”), the Reform Act changes the normal retirement age by increasing the eligibility for the 2 percent age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5 percent to age 67. PEPRA also implements certain other changes to CalPERS including the following: (a) all new participants enrolled in CalPERS after the Implementation Date are required to contribute at least 50 percent of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalPERS is required to determine the final compensation amount for employees

based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date, and (c) “pensionable compensation” is capped for new participants enrolled after the Implementation Date at 100 percent of the federal Social Security contribution and benefit base for members participating in Social Security or 120 percent for CalPERS members not participating in social security.

**Benefits Provided.** CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. Below is a summary of the plan’s provisions and benefits in effect at June 30, 2023, for which the City of Agoura Hills has contracted:

Major Benefit Options	Miscellaneous Prior to 1/1/13	Miscellaneous PEPRA On or after 1/1/13
Hire Date		
Benefit Provision		
Benefit Formula	2.0% @55	2.0% @62
Social Security	No	No
Full/Modified	Full	Full
Benefit Vesting Schedule	5 yrs service	5 yrs service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required Employer Contribution Rate	10.34%	7.59%
Required Employee Contribution Rate	6.91%	6.75%
Required Employer Payment of Unfunded Liability	\$405,093	\$2,472

New entrants are not allowed in the Miscellaneous Classic Plan.

**Contribution Description.** Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as a reduction to the net pension liability was \$742,201.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions. As of June 30, 2023, the City of Agoura Hills reported a net pension liability for its proportionate share of the net pension liability in the amount of \$6,636,241. The City of Agoura Hills' net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2021 and 2022, was as follows:

Proportions as a percentage of the CalPERS Miscellaneous risk pool:

	Miscellaneous
Proportion – June 30, 2021	0.04977%
Proportion – June 30, 2022	0.05745%
Change – Increase (Decrease)	<u>0.00768%</u>

For the year ended June 30, 2023, the City of Agoura Hills recognized pension expense of \$650,886. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 881,676	--
Changes of assumptions	680,022	--
Differences between expected and actual experience	133,269	\$ 89,258
Net differences between projected and actual earnings on pension plan investments	1,215,583	--
Change in employer's proportion and differences between contributions and proportionate share of contributions	--	408,047
Change in employer's proportions	472,862	--
Total	<u>\$3,338,412</u>	<u>\$497,305</u>

The \$881,676 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows)
2024	\$ 511,727
2025	447,337
2026	256,874
2027	743,493
Total	\$1,959,431

Actuarial Assumptions. The proportionate share of the total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The proportionate share of the total pension liability was based on the following assumptions:

**Actuarial Assumptions**

Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' Membership Data for all
Post Retirement Benefit	Contract COLA up to 2.30% until Purchasing Power

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report on the CalPERS website.

Discount Rate. The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be added at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term expected rate of return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expense.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability of the Plan, calculated using the

discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.90%) or 1% point higher (7.90%) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Proportionate Share of Net Pension Liability/(Assets)	\$10,411,135	\$6,636,241	\$3,530,440

Pension Plan Fiduciary Net Position. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

*The information above is derived from the City's 2022-23 audited financial statements included in the City's Annual Comprehensive Financial Report set forth in Appendix A.*

City Plans Funding Status and History, Required Contributions

Around July of each year, CalPERS provides the City reports (each, a "CalPERS Report") of the actuarial valuation (as of June 30 of the calendar year preceding the year of the CalPERS Report) for each of the City's Plans. *The following information is based on information available from CalPERS and the CalPERS Reports. The City has not independently verified the information provided by CalPERS and expresses no opinion regarding the accuracy of such information. CalPERS' actuarial assessments are based on various assumptions (including demographic assumptions and economic assumptions) made by CalPERS, its actuaries, accountants and other consultants. One or more assumptions may not materialize or be changed in the future. The City expresses no opinion regarding the quality of such assumptions and cannot provide any guarantee as to the eventual results.*

Actuarial valuations used in the July 2023 CalPERS Reports were based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflected all prior differences between actual and assumed experience and adjusts the contribution rates as needed. This valuation is based on an investment return assumption of 6.8 percent. Other assumptions used in July 2023 CalPERS Report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report. To the extent the actual investment return for Fiscal Year 2022- 23 differs from 6.8%, the actual contribution requirements for Fiscal Year 2025-26 will differ from those shown below.

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (Present Value of Benefits) to individual years of service (the Normal Cost). The value of the projected benefit that is not allocated to future service is referred to as the Accrued Liability and is the plan's funding target on the valuation date. The Unfunded Accrued Liability (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The funded ratio equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	Miscellaneous		Miscellaneous PEPRA	
	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022
(1) Present Value of Benefits	\$29,518,628	\$30,839,784	\$1,988,254	\$2,686,483
(2) Entry Age Accrued Liability	26,438,169	27,912,895	406,916	617,025
(3) Market Value of Assets (MVA)	22,577,166	20,548,059	437,189	543,343
(4) Unfunded Accrued Liability (UAL) [(2) - (3)]	\$3,861,003	\$7,364,836	(\$30,273)	\$73,682
(5) Funded Ratio [(3)/(2)]	85.4%	73.6%	107.4%	88.1%

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with Fiscal Year 2022-23 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund. The City aims to make additional payments above the required amounts if feasible, which is determined at the end of each fiscal year.

#### Miscellaneous

Fiscal Year	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2022-23 and Beyond)				
		2024-25	2025-26	2026-27	2027-28	2028-29
Normal Cost %	11.88%	11.9%	11.9%	11.9%	11.9%	11.9%
UAL Payment	\$556,012	\$607,000	\$655,000	\$694,000	\$788,000	\$803,000

#### Miscellaneous PEPRA

Fiscal Year	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2022-23 and Beyond)				
		2024-25	2025-26	2026-27	2027-28	2028-29
Normal Cost %	7.87%	7.9%	7.9%	7.9%	7.9%	7.9%
UAL Payment	\$2,769	\$4,600	\$6,500	\$8,400	\$10,000	\$10,000

### **Other Post-Employment Benefits Other Than Pensions**

The Governmental Accounting Standards Board (“GASB”) issued Statement No. 45 entitled “Accounting and Financial Reporting By Employers for Post Employment Benefits Other Than Pensions” (“GASB 45”), which addresses how state and local governments should account for and report their costs and obligations related to post employment healthcare and other non-pension benefits, known collectively as “Other Post-Employment Benefits” or “OPEBs.” GASB 45 generally requires state and local governmental employers to account for and report the cost of OPEBs and outstanding obligations and commitments related to OPEBs in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, would provide sufficient

resources to pay benefits as they come due. The provisions of GASB 45 may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of their initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. GASB 45 is to be phased in based on a government's total annual revenues, over a three year period beginning with accounting periods beginning after December 15, 2006. The first fiscal year that the City was required to implement GASB 45 reporting was Fiscal Year 2008-09.

The City provides OPEBs to all full time employees in accordance with the City's contract with CalPERS 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 its contribution for full-time employees. Additionally, the City contributes longevity pay to a Retirement Health Savings (RHS) Trust plan of up to \$500 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. The plan is an agent, multiple-employer plan administered by CalPERS through the California Employers' Retiree Benefit Trust (CERBT).

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, 2022, measurement date:

Inactive members currently receiving benefits	16
Inactive members entitled to but not yet receiving benefits	2
Active members	34
<b>Total</b>	<b><u>52</u></b>

The contribution requirements of plan members and the City are established and may be amended by City Council. In September 2009, the City established an irrevocable trust through CalPERS, in order to prefund its other post-employment benefit (OPEB) liability. For the measurement date ended June 30, 2022, the City recognized \$181,331 in contributions to reduce the net OPEB liability. For the fiscal year ended June 30, 2023, the City's contributions were \$147,419, with \$121,601 in cash contributions and \$25,818 in implied subsidy benefits, respectively, making up the total contribution.

The City's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on actuarial methods and assumptions. The changes in the net OPEB liability for the plan are as follows:



	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (measurement date)	\$2,778,063	\$2,890,368	\$(112,305)
Changes recognized for the measurement period			
Service Cost	121,398	--	121,398
Interest on Total OPEB liability	178,384	--	178,384
Employer Contributions	--	181,331	(181,331)
Net Investment Income	--	(414,086)	414,086
Benefit Payments	(90,639)	(90,639)	--
Administrative Expense	--	(1,402)	1,402
Net Changes during 2021-22	\$209,143	(324,796)	533,939
Balance at June 30, 2022 (measurement date)	\$2,987,206	\$2,565,572	\$421,634

## Risk Management

### ***Self-Insurance***

The City is a member of the California Joint Powers Insurance Authority (the "CJPIA"). CJPIA is comprised of 124 California public entities and is organized under a joint powers agreement pursuant to State law. The purpose of the CJPIA is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. The CJPIA's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the CJPIA's Board of Directors. The Board operates through a nine-member Executive Committee. Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program. Claims are pooled separately between police and general government 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 \$100,000 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 \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on CJPIA's website.

Workers' Compensation. Claims are pooled separately between public safety (police and fire) and general government 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 \$75,000 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 \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2022-23, CJPIA's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

### ***Purchased Insurance***

Pollution Legal Liability Insurance. The City participates in the pollution legal liability insurance program through CJPIA which covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis with a \$250,000 deductible. CJPIA has an aggregate limit of \$20 million.

Property Insurance. The City participates in the all-risk property protection program of CJPIA. This insurance protection is underwritten by several insurance companies. City property is insured according to a schedule of covered property submitted by the City to CJPIA. City property has all-risk property insurance protection in the amount of \$37,683,930. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance. The City purchases crime insurance coverage through CJPIA in the amount of \$2,575,000 with a \$2,500 deductible.

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 2022-23.

## **BONDOWNERS' RISKS**

**INVESTMENT IN THE BONDS INVOLVES ELEMENTS OF RISK. THE FOLLOWING SECTION DESCRIBES CERTAIN SPECIFIC RISK FACTORS AFFECTING THE PAYMENT AND SECURITY OF THE BONDS. THE FOLLOWING DISCUSSION OF RISKS IS NOT MEANT TO BE AN EXHAUSTIVE LIST OF THE RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS AND THE ORDER OF DISCUSSION OF SUCH RISKS DOES NOT NECESSARILY REFLECT THE RELATIVE IMPORTANCE OF THE VARIOUS RISKS. POTENTIAL INVESTORS ARE ADVISED TO CONSIDER THE FOLLOWING FACTORS ALONG WITH ALL OTHER INFORMATION IN THIS OFFICIAL STATEMENT IN EVALUATING THE BONDS. THERE CAN BE NO ASSURANCE THAT OTHER RISK FACTORS NOT DISCUSSED UNDER THIS CAPTION WILL NOT BECOME MATERIAL IN THE FUTURE.**

## **Limited Obligations with Respect to the Bonds**

The Bonds are limited obligations of the Authority payable solely from and secured by a pledge of Revenues and certain funds and accounts held under the Indenture. Revenues consist primarily of Base Rental Payments payable by the City under the Sublease and amounts on deposit from time to time in the funds and accounts held by the Trustee. If for any of the reasons described herein, or for any other reason, the Revenues collected under the Sublease are not sufficient to pay debt service on the Bonds, the Authority will not be obligated to utilize any other of its funds, other than amounts on deposit in the funds and accounts established under the Indenture, to pay debt service on the Bonds.

The Authority has no taxing power. The obligation of the City to make Rental Payments under the Sublease does not constitute an obligation of the City which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Rental Payments under the Sublease constitutes an indebtedness of the City, State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitations.

## **Abatement**

The Sublease provides that the obligation of the City to pay Base Rental Payments will be abated during any period in which, by reason of any damage, destruction or condemnation, there is substantial interference with the use and occupancy of the Leased Property or any portion thereof by the City. Such abatement will continue until the restoration of the Leased Property to tenantable condition. See "SECURITY FOR THE BONDS – Abatement; Insurance." In the event that the Leased Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time that proceeds of the City's rental interruption insurance will be available in lieu of Base Rental Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of the Leased Property or a redemption of the Bonds in whole (see "THE BONDS – Redemption – *Extraordinary Redemption*"), a default on the Bonds may occur.

## **Risk of Uninsured Loss**

The City covenants under the Sublease to maintain certain insurance policies on the Leased Property. These insurance policies do not cover all types of risk. The Leased Property could be damaged or destroyed due to a casualty for which the Leased Property is uninsured. Additionally, the Leased Property could be the subject of an eminent domain proceeding. Under these circumstances an abatement of Base Rental Payments could occur and could continue indefinitely. There can be no assurance that the providers of the City's liability and rental interruption insurance will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. There can be no assurances that amounts received as proceeds from insurance or from condemnation of the Leased Property will be sufficient to redeem the Bonds.

## **City General Fund**

*In General.* The Base Rental Payments and other payments due under the Sublease (including payment of costs of repair and maintenance of, and taxes and other governmental charges levied against, the Leased Property) are payable from funds lawfully available to the City. If the amounts which the City is obligated to pay in a fiscal year exceed the City's revenues for such year, the City may choose to make some payments rather than making other payments,

including Base Rental Payments, based on the perceived needs of the City. See “CITY FINANCIAL INFORMATION” for a more detailed discussion of revenues deposited in and expenditures from the City’s General Fund. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare. For more information regarding California Constitutional limits on expenditures see “LIMITATIONS ON TAX REVENUES AND APPROPRIATIONS – Appropriations Limitations: Article XIII B.”

*Risk of Increased Expenditures.* Under the Sublease, the City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds. To the extent that additional obligations are incurred by the City, the funds available to pay Base Rental Payments could decrease.

*Risk of Decreased Revenues.* A variety of national, state or regional factors, which are beyond the control of the City’s fiscal policies, as well as the City’s fiscal policies could reduce the amount of the City’s General Fund revenues. To the extent that City revenues decrease, the funds available to pay Base Rental Payments could decrease. See “CITY FINANCIAL INFORMATION.”

### **No Reserve Fund**

The Authority has not funded a reserve fund in connection with the issuance of the Bonds.

### **State Finances**

The State’s financial condition and budget policies affect communities and local public agencies throughout California. State budgets are affected by regional, national or even international economic conditions and a multitude of other factors over which the City has no control. The City cannot give any assurances regarding the financial conditions of the State during any period of time. Some of the State’s budget solutions have caused in the past, and may cause in the future, increased financial stress to cities, counties and other local governments by: (i) decreasing local revenues (for example, the property tax, road improvement funding, public safety or other categorical funded initiatives), or (ii) increasing directly or indirectly demand for local programs (such as public safety or indigent health programs). In recent years, the State has faced significant financial and budgetary stress. AB X1 26 enacted in 2011, pursuant to which all redevelopment agencies in the State were dissolved, was enacted during the fiscal year 2011-12 budget process and was just one example where cities and counties throughout the State were significantly impacted. Even though California has experienced significantly improved fiscal condition during the past few fiscal years, the State is still facing continuing financial challenges and unfunded long-term liabilities.

According to the State Constitution, the Governor is required to propose a budget to the State Legislature by no later than January 10 of each year, and a final budget must be adopted by the vote of each house of the Legislature no later than June 15, although this deadline has been frequently breached in the past. Before fiscal year 2010-11, the State budget had to be adopted by a two-thirds vote of each house of the State Legislature. However, in November 2010, the voters of the State passed Proposition 25, which reduced the vote required to adopt a budget to a majority vote of each house and which provided that there would be no appropriation from the current budget or future budget to pay any salary or reimbursement for travel or living expenses for members of the Legislature for the period during which the budget was presented

late to the Governor. The State budget becomes law upon the signature of the Governor, who may veto specific items of expenditure.

The Governor signed the fiscal year 2023-24 budget for the State on June 27, 2023, and released the fiscal year 2024-25 State budget on January 10, 2024. The City does not anticipate any material adverse effect on the City's finances based on the fiscal year 2023-24 State budget or the proposed fiscal year 2024-25 State budget. The City also cannot predict what measures the State will adopt to respond to any future financial difficulties. The City can provide no guarantees regarding the outcome of future State budget negotiations, the actions that will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures, or the impact that such budgets or actions will have on the City's finances and operations.

Information about the State budget and State spending is available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov). An analysis of the budget is posted by the Office of the Legislative Analyst at [www.lao.ca.gov](http://www.lao.ca.gov). In addition, various official statements for State-issued bonds, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov). None of the websites referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such websites or the continued maintenance of such websites by the respective entities.

### **Natural Calamities; Earthquakes; Fire Hazard Zone Designation**

From time to time, the City is subject to natural calamities that may adversely affect economic activity in the City which therefore may have a negative impact on City finances. The occurrence of any natural calamity, including but not limited to an earthquake, uncontrolled fire or a major flood, may result in the substantial interference with the use and occupancy of the Leased Property, which could result in Base Rental Payments being subject to abatement. Under such circumstances, no assurance can be given that the City would have insurance or other resources available to make repairs to the Leased Property or to make Base Rental Payments under the Sublease.

The City, like most communities in California, is an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Although the City is not directly on a fault line, there are several fault lines in the surrounding regions and if a large enough earthquake were to occur, they could possibly affect the City. The known faults in this region include: the Malibu Coast Fault (in City of Malibu approximately 15 miles away), Simi Fault (runs through Simi Valley, Moorpark, and Camarillo to the northwest approximately 17 miles away), and Northridge Hills Fault (located approximately 19 miles away). The casualty and liability insurance may not cover losses due to earthquake damage. The City is not required to maintain earthquake insurance under the Sublease. Rental interruption insurance will not cover interruption of Base Rental Payments due to an earthquake.

The County has classified the entire area within the City as a "Very High Fire Hazard Severity Zone" (the "Fire Hazard Zone"). This classification establishes a series of stringent building code requirements that apply to all properties within the Fire Hazard Zone and are intended to retard the rate of spread and reduce the potential intensity of uncontrolled fires. These building code provisions address roofing and siding materials, window glazing, exterior doors, protection of openings and unenclosed under-floor areas and accessory structures. The

City has adopted building standards to meet the requirements of the Fire Hazard Zone classification.

### **Public Health Emergencies**

In recent years and as a result of the COVID-19 pandemic, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. Pandemic diseases arising in the future could have significant adverse health and financial impacts throughout the world, leading to loss of jobs and personal financial hardships, and/or actions by federal, State and local governmental authorities to contain or mitigate the effects of an outbreak.

There can be no assurances that future public health emergencies and/or responses intended to slow the spread of disease, such as limiting business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the City and the City's General Fund in the future. In addition, the City may experience increased personnel costs and/or reduced revenues due to the occurrence of future disease emergencies and the related impacts on economic and other activity in and around the City.

### **Cyber Security**

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. To date, the City has not experienced an attack on its computer operating systems which resulted in a breach of its cybersecurity systems that are in place. However, no assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector and other authorities for the levy and collection of taxes, and the Trustee. No assurance can be given that the City and/or the other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

### **Limited Recourse on Sublease Default**

If an event of default occurs and is continuing under the Sublease, there is no remedy of acceleration of any Base Rental Payment which have not come due. The remedies provided for in the Sublease include, in addition to all other remedies provided at law, reletting the Leased Property or, without terminating the Sublease, collecting each installment of rent as it becomes due and holding the City liable therefor. If the Trustee does not terminate the Sublease, the Trustee may be required to seek a separate judgment each year for that year's defaulted Base Rental Payments. Any such suit for money damages would be subject to limitations on legal remedies against cities in California, including a limitation on enforcement of judgments against funds or property needed to serve the public welfare and interest could prove both expensive and time-consuming.

The Sublease permits the Trustee, as the Authority's assignee, to take possession of and re-let the Leased Property in the event of a default by the City under the Sublease. However, due to the fact that the Leased Property serves essential governmental purposes, a court may determine to not permit such remedy to be exercised. Even if such remedy may be exercised, no

assurance can be given that the Trustee could readily relet the Leased Property for rents which are sufficient to enable it to pay debt service on the Bonds in full when due.

### **Limitations on Remedies**

Remedies available to the Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest and premium, if any, on the Bonds or to preserve the tax-exempt status of interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay in the exercise of, or limitations on or modifications to, the rights of the Owners.

Enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Authority, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against governmental entities in the State.

### **Investment of Funds**

All moneys in any of the funds or accounts held under the Indenture may be invested in Permitted Investments as provided under the Indenture. See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS." All investments, including Permitted Investments, authorized by law from time to time for investments by the Authority contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Indenture could have a material adverse effect on the security for the Bonds.

### **Future Initiative and Legislation**

As discussed below under "LIMITATIONS ON TAX REVENUES AND APPROPRIATIONS," the California's Constitutional initiative process has resulted in the adoption of measures which pose certain limits on the ability of cities and local agencies to generate revenues, through property taxes or otherwise. From time to time, other initiative measures could be adopted, affecting the City's ability to generate revenues and to increase appropriations. No assurances can be given as to the potential impact of any future initiative or legislation on the finances and operations of the City.

### Taxpayer Protection and Government Accountability Act

On February 1, 2023, the California Secretary of State announced that a ballot initiative, designated as Initiative 1935 and known as the “Taxpayer Protection and Government Accountability Act” (the “Taxpayer Act”) had received the required number of signatures to appear on the November 5, 2024 ballot.

If approved by the voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. The full text of the Taxpayer Act may be viewed at the website of the California Attorney General.

The Taxpayer Act would, among other things, amend Article XIII C of the California Constitution to:

- state that every levy, charge or exaction of any kind imposed by local law is either a “tax” or an “exempt charge,” and would amend the definition of “tax” added to Article XIII C by Proposition 26 to state that “every levy, charge, or exaction of any kind imposed by a local law that is not an “exempt charge” constitutes a tax. The Taxpayer Act narrows the definition of “exempt charge” to mean a “reasonable charge for a specific local government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the actual costs [as opposed to the reasonable costs] to the local government of providing the service or product to the payor.” “Exempt charges” also encompass existing exceptions from the definition of “tax” added to Article XIII C by Proposition 26. “Actual costs” is defined in the Taxpayer Act to mean “the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor ... where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing “actual cost” the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.” The Taxpayer Act would retain an exemption from the definition of “tax” for assessments, fees or charges which are subject to Article XIII D.
- state that only the governing body of a local government, or an elector acting pursuant to the initiative power, has the authority to impose an exempt charge, and that exempt charges must be imposed by an ordinance specifying the type of exempt charge and the amount or rate of the exempt charge to be imposed, and passed by the governing body, other than for certain exempt charges imposed for a specific health care service. In addition, the Taxpayer Act would amend Article XIII C to prohibit any amendment to a municipal charter which provides for the imposition, extension or increase of a tax or exempt charge from being submitted to or approved by the electors.
- require the title, summary and ballot label or questions for a measure providing for the imposition of a tax to include: (a) the type and amount or rate of the tax; (b) the duration of the tax; and (c) the use of the revenue derived from the tax; and (d) if the proposed tax is a general tax, the phrase “for general government use.” In addition, no advisory measure may appear on the same ballot that would indicate that the revenue from the general tax will, could or should be used for specific purposes.



- require that any special tax, whether proposed by the governing body or by an elector, be approved by a two-thirds (2/3) vote of the electorate.
- state that the local government bears the burden of proving by *clear and convincing evidence* (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.
- state that any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of the Taxpayer Act, which was not adopted in compliance with the requirements thereof is void 12 months after the effective date of the Taxpayer Act, if adopted, unless the tax or exempt charge is reenacted in compliance with the provisions of the Taxpayer Act.

The City cannot predict whether the Taxpayer Act will be approved by the voters casting a ballot at the November 5, 2024 Statewide election. If the Taxpayer Act is approved, the City cannot provide any assurances as to the effect of the implementation or judicial interpretations of the Taxpayer Act on the finances of the State or the City.

In September 2023, California Governor Gavin Newsom and the State Legislature filed an Emergency Petition For Writ Of Mandate with the California Supreme Court arguing that the Taxpayer Act is an unlawful attempt to revise the California Constitution and would impede the government's ability to provide the essential functions of government. The Writ seeks the removal of the Taxpayer Act from the November 2024 Statewide general election. On November 29, 2023, the California Supreme Court granted a hearing. There can be no assurance as to the outcome and timing of any California Supreme Court decision with respect to the Writ.

### **Loss of Tax Exemption**

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the Authority and the City have covenanted to comply with the applicable requirements of Section 148 and certain other sections of the Internal Revenue Code of 1986, as amended, relative to arbitrage and avoidance of characterization as private activity bonds, among other things. The interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds as a result of acts or omissions of the Authority and/or the City in violation of their covenants. Should such an event of taxability occur, the Bonds are not subject to acceleration, redemption or any increase in interest rates and will remain Outstanding until maturity or until redeemed under one of the redemption provisions contained in the Indenture. See "TAX MATTERS."

### **Secondary Market**

There can be no assurance that there will be a secondary market for the Bonds, or if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

## LIMITATIONS ON REVENUES AND APPROPRIATIONS

There are a number of provisions in the State of California Constitution that limit the ability of the City to raise and expend revenues. Contained below is a description of some of these limitations. In addition to the ones discussed in this section below, other initiative measures could be adopted from time to time further affecting the City's revenues and finances.

### Property Tax Limitations - Article XIII A

California voters, on June 6, 1978, approved an amendment (commonly referred to as "Proposition 13" or the "Jarvis-Gann Initiative") to the California Constitution. This amendment, which added Article XIII A to the California Constitution, among other things, affects the valuation of real property for the purpose of taxation in that it defines the full cash value of property to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent per year, or any reduction in the consumer price index or comparable local data, or any reduction in the event of declining property value caused by damage, destruction or other factors.

Article XIII A further limits the amount of any *ad valorem* tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978. In addition, an amendment to Article XIII was adopted in August 1986 by initiative that exempts from the one percent limitation any bonded indebtedness approved by two-thirds of the votes cast by voters for the acquisition or improvement of real property. On December 22, 1978, the California Supreme Court upheld the amendment over challenges on several state and federal constitutional grounds (*Amador Valley Joint Union School District v. State Board of Equalization*).

In the general election held on November 4, 1986, voters of the State of California approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms "purchased" and "change of ownership," for purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of other property between parents and children. Proposition 60 amended Article XIII A to permit the Legislature to allow persons over age 55 who sell their residence to buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence. Pursuant to Proposition 60, the Legislature has enacted legislation permitting counties to implement the provisions of Proposition 60.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in certain other minor or technical ways.

### Article XIII A Implementing Legislation

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies.

The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1978.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based on their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in California no longer record property values on tax rolls at the assessed value of 25 percent of market value, which was expressed as \$4 per \$100 of assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. Unless otherwise noted, all taxable property value included in this Official Statement (unless noted differently) is shown at 100 percent of market value and all tax rates reflect the \$1 per \$100 of taxable value.

### **Challenges to Article XIII A**

California trial and appellate courts have upheld the constitutionality of Article XIII A’s assessment rules in three significant cases. The United States Supreme Court, in an appeal to one of these cases, upheld the constitutionality of Article XIII A’s tax assessment system. The City cannot predict whether there will be any future challenges to California’s present system of property tax assessment and cannot evaluate the ultimate effect on the City’s receipt of property tax revenues should a future decision hold unconstitutional the method of assessing property.

### **Appropriations Limitations: Article XIII B**

On November 6, 1979, California voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B limits the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the government entity. The “base year” for establishing such appropriations limit is the 1978-79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies. Revenues received in excess of the appropriations limit must be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

### **Propositions 218 and 26: Article XIII C and Article XIII D**

On November 5, 1996, California voters approved Proposition 218, “the Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the California Constitution, providing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments, and property-related fees and charges.

The general financial condition of the City may be affected by provisions of Article XIII C and Article XIII D. In particular, provisions of Article XIII C (i) require taxes for general governmental purposes to be approved by a majority vote and taxes for specific purposes, even if deposited into the General Fund, to be approved by two-thirds vote, (ii) require any general purpose tax which the City imposed, extended or increased, without voter approval, after December 31, 1994, to be approved by majority vote on November 5, 1998 and (iii) provide that all taxes, assessments, fees and charges to reduction or repeal at any time through the initiative process, subject to overriding constitutional principles relating to the impairment of contracts.

Provisions of Article XIII D that affect the ability of the City to fund certain services or programs that it may be required or choose to fund include (i) adding notice, hearing, protest and, in some cases, voter approval requirements to impose, increase or extend certain assessments, fees and charges and (ii) adding stricter requirements for finding individualized benefits associated with such levies.

On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Relevant to local governments, Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term "tax," which previously was not defined under the California Constitution. As a result, Proposition 26 requires a local government to obtain two-thirds voter approval for many fees, charges and levies that a local government was previously authorized to adopt by a majority vote of its legislative body. Specifically, Proposition 26 defines a "tax" as any levy, charge, or exaction of any kind imposed by a local government except those enumerated in seven specified exceptions, as follows:

- (1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
- (2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
- (3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.
- (4) A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.
- (5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.
- (6) A charge imposed as a condition of property development.
- (7) Assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

In the event that the City cannot properly impose a charge, which constitutes a "tax" pursuant to Article XIII, the City would have to choose whether to reduce or eliminate the services financed by such tax or to finance such services from its General Fund. The foregoing discussion of Proposition 218 should not be considered an exhaustive or authoritative treatment of the provisions of Proposition 218 or the possible effects of Propositions 218 or 26. Interim rulings, final decisions, legislative proposals and legislative enactments affecting Propositions 218 and 26 may impact the City's ability to make Rental Payments. The City does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity related to these issues.

## **Proposition 62**

On November 4, 1986, California voters adopted Proposition 62, which requires that (i) any local tax for general governmental purposes (a "general tax") must be approved by a majority vote of the electorate; (ii) any local tax for specific purposes (a "special tax") must be approved by

a two-thirds vote of the electorate; (iii) any general tax must be proposed for a vote by two-thirds of the legislative body; and (iv) proceeds of any tax imposed in violation of the vote requirements must be deducted from the local agency's property tax allocation.

Most of the provisions of Proposition 62 were affirmed by the 1995 California Supreme Court decision in *Los Angeles County Local Transportation Authority v. Guardino*, which invalidated a special sales tax for transportation purposes because fewer than two-thirds of the voters voting on the measure had approved the tax. The City does not believe any of the taxes constituting City revenues are levied in violation of Proposition 62.

### **Unitary Property**

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("Unitary Property"), commencing with the 1988-89 fiscal year, will be allocated as follows: (i) each jurisdiction will receive up to 102 percent of its prior year State-assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102 percent of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

### **ABSENCE OF LITIGATION**

To the Authority's and the City's knowledge, there is no litigation pending or threatened to restrain or enjoin the issuance, execution or delivery of the Bonds, to contest the validity of the Bonds, the Indenture, the Lease, the Sublease or any proceedings of the City or the Authority with respect thereto. In the opinion of the Authority and its counsel, there is no lawsuit or claim pending against the Authority which will materially impair the Authority's ability to enter into the Indenture or restrain or enjoin the collection of Revenues as contemplated therein. In the opinion of the City and its counsel, there is no lawsuit or claim pending against the City which will materially impair the City's ability to enter into the Sublease or restrain or enjoin the payment of Base Rental Payments.

### **CONTINUING DISCLOSURE**

The City has undertaken for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the City and other data by not later March 1 of each year (the "Annual Report"), commencing March 1, 2025 with the report for the 2023-24 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Report, and any notice of material event will be filed by the City or Digital Assurance Certification, LLC, as the Dissemination Agent on behalf of the City, with the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access System (referred to as "EMMA"), at [www.emma.msrb.org](http://www.emma.msrb.org). The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX E – FORM OF CONTINUING DISCLOSURE AGREEMENT." This undertaking has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended.

A failure by the City to comply with the provisions of the Continuing Disclosure Agreement is not an event of default under the Indenture (although the holders and beneficial owners of the Bonds do have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds. Therefore, a failure by the City to comply with the provisions of the Continuing Disclosure Agreement may adversely affect the marketability of the Bonds on the secondary market.

A review of the City's prior compliance with its continuing disclosure obligations under the Rule reveals that it has complied, in all material respects, with its continuing disclosure requirements during the past five years.

## **LEGAL MATTERS**

The legality of the issuance of the Bonds is subject to the approval of Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, Bond Counsel. Bond Counsel's opinions with respect to the Bonds will be substantially in the forms set forth in APPENDIX B of this Official Statement.

## **TAX MATTERS**

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issue. These requirements include, but are not limited to, provisions which limit how the proceeds of the Bonds may be spent and invested, and generally require that certain investment earnings be rebated on a periodic basis to the United States of America. The City and the Authority have made certifications and representations and have covenanted to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code.

In the opinion of Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, under existing law and assuming the accuracy of such certifications and representations by, and compliance with such covenants of, the City and the Authority, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from State of California personal income taxes. Bond counsel expresses no opinion as to any other tax consequences regarding the Bonds.

Under the Code, interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The

applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding these and other such consequences.

Bond Counsel has not undertaken to advise in the future whether any circumstances or events occurring after the date of issue of the Bonds may affect the tax status of interest on the Bonds. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the California legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issue of the Bonds, will not eliminate, or directly or indirectly reduce the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes, or have an adverse effect on the market value or marketability of the Bonds. Investors should consult their own financial and tax advisors to analyze the importance of these risks.

For example, federal tax legislation enacted on December 22, 2017, reduced corporate tax rates, modified individual tax rates, eliminated many deductions, and generally eliminated the tax-exempt advance refunding of tax-exempt bonds and other tax advantaged bonds, among other things. In addition, investors in the Bonds should be aware that future legislative actions might increase, reduce, or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change.

Certain requirements and procedures contained or referred to in relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. Bond Counsel expresses no opinion as to any Bond, or the interest thereon, if any such change occurs or action is taken upon the advice or approval of bond counsel other than Richards, Watson & Gershon, A Professional Corporation.

If the issue price of a Bond (the first price at which a substantial amount of the bonds of a maturity are sold to the public) is less than the stated redemption price at maturity of such Bond, the difference constitutes original issue discount, the accrual of which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant yield method over the term of each such Bond and the basis of each Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Purchasers who acquire Bonds with original issue discount are advised that they should consult with their own independent tax advisors with respect to the state and local tax consequences of owning such Bonds.

If the issue price of a Bond is greater than the stated redemption price at maturity of such Bond, the difference constitutes original issue premium, the amortization of which is not deductible from gross income for federal income tax purposes. Original issue premium is amortized over the period to maturity of such Bond based on the yield to maturity of that Bond (or, in the case of a Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on

that Bond), compounded semiannually. For purposes of determining gain or loss on the sale or other disposition of such Bond, the purchaser is required to decrease such purchaser's adjusted basis in such Bond by the amount of premium that has amortized to the date of such sale or other disposition. As a result, a purchaser may realize taxable gain for federal income tax purposes from the sale or other disposition of such Bond for an amount equal to or less than the amount paid by the purchaser for that Bond. A purchaser of that Bond in the initial public offering at the issue price for that Bond who holds it to maturity (or, in the case of a callable Bond, to its earlier call date that results in the lowest yield on that Bond) will realize no gain or loss upon its retirement.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of a Bond is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Prospective purchasers of the Bonds should consult their own independent tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City, the Authority or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to participate in the audit or to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX B.

#### **MUNICIPAL ADVISOR**

Columbia Capital Management, LLC has acted as municipal advisor to the Authority and the City concerning the Bonds. The municipal advisor is an independent municipal advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

#### **UNDERWRITING**

Raymond James & Associates, Inc., as underwriter (the "Underwriter"), has agreed, subject to certain conditions, to purchase the 2024A Bonds at a purchase price of \$12,185,987.48 (equal to the principal amount of the 2024A Bonds, less net original issue discount of \$81,302.60 and less an underwriter's discount of \$57,709.92), and the 2024B Bonds at a purchase price of \$2,743,016.38 (equal to the principal amount of the 2024B Bonds, plus original issue premium of



\$180,648.10 and less an underwriter's discount of \$12,631.72). The Underwriter intends to offer the Bonds to the public initially at the prices set forth on the inside cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice.

### **RATINGS**

S&P Global Ratings ("S&P") has assigned its rating of "AA+" to the Bonds. Such rating reflects only the views of S&P and any explanation of the significance of such ratings may be obtained only from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward, suspended, or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision, suspension or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

### **FINANCIAL STATEMENTS**

The City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 (the "ACFR"), attached as Appendix A hereto, was audited by Lance, Soll & Lunghard, LLP, Brea, California (the "Auditor"). The Auditor was not requested to consent to the inclusion of its report in Appendix A and it has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness, or fairness of the statements made in the Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to its report. See "APPENDIX A – CITY OF AGOURA HILLS ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2023."

### **MISCELLANEOUS**

All of the preceding description and summaries of the Bonds, the Indenture and the Sublease, other applicable agreements, legislation and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The Authority and the City have duly authorized the execution and delivery of this Official Statement by their duly authorized officers.

**AGOURA HILLS IMPROVEMENT AUTHORITY**

By:                     /s/ Nathan Hamburger                      
Nathan Hamburger  
Chief Administrative Officer

**CITY OF AGOURA HILLS**

By:                     /s/ Nathan Hamburger                      
Nathan Hamburger  
City Manager

**APPENDIX A**

**CITY OF AGOURA HILLS ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR YEAR ENDED JUNE 30, 2023**

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CITY OF  
AGOURA HILLS, CALIFORNIA



ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023

CITY OF AGOURA HILLS, CALIFORNIA  
Annual Comprehensive Financial Report  
For The Year Ended June 30, 2023

Prepared by:  
Finance Department

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CITY OF AGOURA HILLS, CALIFORNIA  
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CITY OF AGOURA HILLS, CALIFORNIA

Annual Comprehensive Financial Report

For The Year Ended June 30, 2023

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CITY OF AGOURA HILLS, CALIFORNIA

Annual Comprehensive Financial Report

For The Year Ended June 30, 2023

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## INTRODUCTORY SECTION

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**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For The Year Ended June 30, 2023**

***December 13, 2023***

***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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. The ACFR 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 Lance, Soll & Lunghard, 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 unmodified opinion that the City of Agoura Hills' financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP.

The ACFR 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, 2023**

**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 8.20 square miles in size and has an average climate of 65 degrees Fahrenheit. 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 19,771.

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
- ❖ Parking Authority
- ❖ Improvement Authority

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 Conservancy
- ❖ Clean Power Alliance

**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For The Year Ended June 30, 2023**

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 administrative services. Certain services are provided by Public Facilities Corporation, the Public Financing Authority, and the Improvement 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 Hills 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 their property and selling individual tracts for housing. From the outset, ranchers and farmers had worried about water supplies and the citizens of Agoura Hills into the mid-1950s shared those concerns. 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.

### **AGOURA HILLS ECONMOY AND OUTLOOK**

Agoura Hills entices companies to relocate to and remain in the City by charging a low business license 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.

Agoura Hills is one of the communities in California that is fortunate to have a strong quality of life. The City has a median home value of \$1.4 million, compared to \$900,000 in Los Angeles County. The median age of Agoura Hills' residents in 2020 was 44.5.

The fiscal outlook for the City remains positive, with most revenues projected to grow modestly over the next two years. Post-Covid tourism activity, coupled with projected increases in commercial and residential development will continue to stimulate the local economy.

However, the local economy could be affected by bigger global issues developing nationally and globally. Record high housing costs, inflation, stock market volatility, supply chain issues, all-time high gasoline prices, tensions in the middle east, and rising borrowing costs are a few of the variables that could affect the City's fiscal outlook.

**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For The Year Ended June 30, 2023**

**LONG-TERM FINANCIAL PLANNING**

The unassigned fund balance in the General Fund (seventy-four 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.

**MAJOR INITIATIVES**

The City is making significant investments across several key priority areas. The City is recommending an additional \$17.1 million in Capital Improvement Projects for 2023/24 and \$9.1 million in Capital Improvement Projects for 2024/25. The Capital Improvement Projects for 2023/24 include \$11.0 million for the construction of a greenway utilizing \$5.5 million in Measure R and \$1.5 million Measure M, and both Los Angeles County sales tax initiatives, and \$2.8 million in state grants. Additionally, the City is planning to construct a \$2.6 million storm drain diversion project utilizing \$1.0 million in City funds, \$1.25 million in IRWMP funding and \$350,000 in Measure W local funding. Major projects in 2024/25 include \$5.9 million for the completion of the greenway utilizing \$3.2 million in state grant money and \$2.7 million in Measure M and work on the \$1.8 million on the Kanan Corridor project utilizing Measure M funding.

**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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the thirteenth year that the City achieved this prestigious award. To be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized ACFR. 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 ACFR 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



J. Diego Ibanez  
Director of Finance



# CITY OF AGOURA HILLS

Fiscal Year 2022-2023



## City Officials

Christ Anstead, Mayor

Illece Buckley Weber, Mayor Pro Tem

Deborah Klein Lopez, Councilmember

Penny Sylvester, Councilmember

Jeremy Wolf, Councilmember

Nathan Hamburger, City Manager

Ramiro Adeva, Assistant City Manager

Louis Celaya, Deputy City Manager

Jessica Forte, Director of Public Works

Diego Ibanez, Director of Finance

Denice Thomas, Community Development Director

Kimberly Rodrigues, City Clerk

Amy Brink, Director of Community Services

# CITY OF AGOURA HILLS

## ORGANIZATIONAL STRUCTURE

AGOURA HILLS RESIDENTS



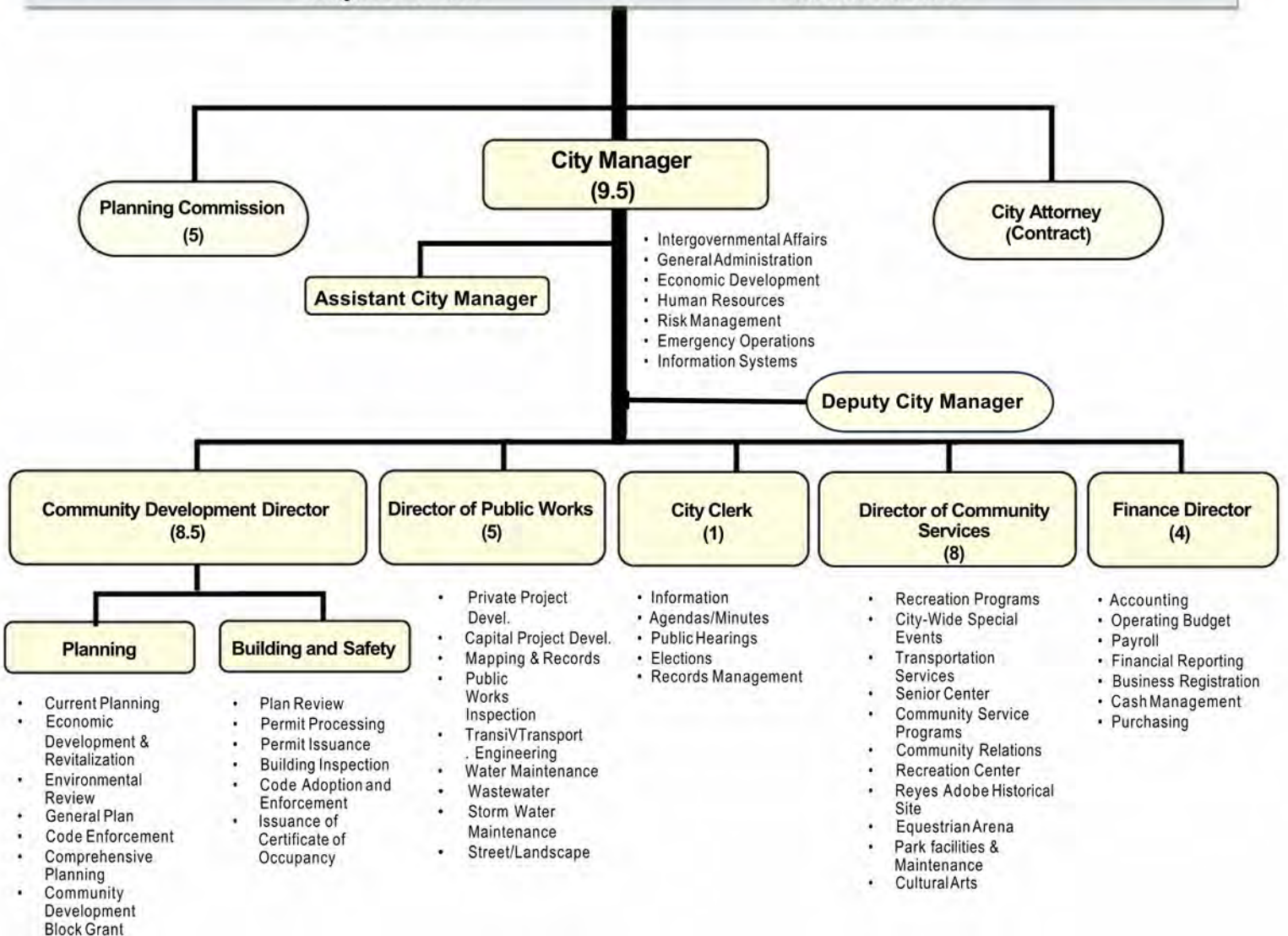
**Jeremy Wolf**  
Councilmember

**Illece Buckley Weber**  
Mayor Pro Tern

**Chris Anstead**  
Mayor

**Deborah Klein Lopez**  
Councilmember

**Penny Sylvester**  
Councilmember



All police and fire services are provided to residents through a contract with the Los Angeles County Sheriffs Department and Consolidated Fire Protection District of Los Angeles County. The City receives fire protection and paramedic services as well as wildfire land fire protection and forestry service from Department of Forester and Fire Warden.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Agoura Hills  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrill*

Executive Director/CEO

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### Opinions

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, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, as listed in the table of contents, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and Housing Successor Agency fund, and the required pension and other postemployment benefits schedules, as listed on the table of contents, presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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.





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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll &amp; Lughard, LLP".

Brea, California  
December 13, 2023

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**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

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, 2023. 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, 2023, the City's net position (excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources) was \$183.1 million. Of this amount, \$43.7 million is available to meet the City's ongoing operations to citizens and creditors.
- ❖ During the fiscal year ended June 30, 2023, the City's total net position increased by \$9.4 million.
- ❖ As of June 30, 2023, the unassigned fund balance for the General Fund was \$13.6 million or 69 percent of total General Fund expenditures and operating transfers.
- ❖ The City's governmental funds reported combined ending fund balances of \$46.1 million, an increase of \$1.5 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 Public Facilities Corporation, The Improvement Authority, The Parking Authority 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 like a private-sector business.

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

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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).

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, Successor Housing Agency Special Revenue Fund, the Measure R Capital Projects Fund and the Measure M 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.

Fiduciary Funds– 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 Net Position. These activities are excluded from the City's other financial statements because the resources of

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

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.

**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 Position**

Net position is a good indicator of the City's financial position. For the fiscal year ended June 30, 2023, net position of the City was \$183.1 million, which is an increase of \$9.4 million from the prior year.

Following is the condensed Statement of Net Position for the fiscal years ended June 30, 2023, and 2022.

**City of Agoura Hills Net Position**  
**As of June 30, 2023, and 2022**

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 55,722,879	\$ 55,979,627
Capital assets	146,639,119	138,363,833
Total Assets	<u>202,361,998</u>	<u>194,343,460</u>
Deferred outflows	<u>4,236,459</u>	<u>2,088,048</u>
Current liabilities	2,958,908	3,461,669
Long-term liabilities outstanding	19,467,338	15,495,720
Total Liabilities	<u>22,426,246</u>	<u>18,957,389</u>
Deferred inflows	<u>1,024,030</u>	<u>3,648,182</u>
Net Position:		
Net investment in capital assets	135,086,093	126,408,354
Restricted	4,300,438	3,779,864
Unrestricted	43,761,650	43,637,719
Total Net Position	<u>\$ 183,148,181</u>	<u>\$ 173,825,937</u>

At June 30, 2023 the largest portion of net position (74 percent) consists of the City's net investment in capital assets. 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

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

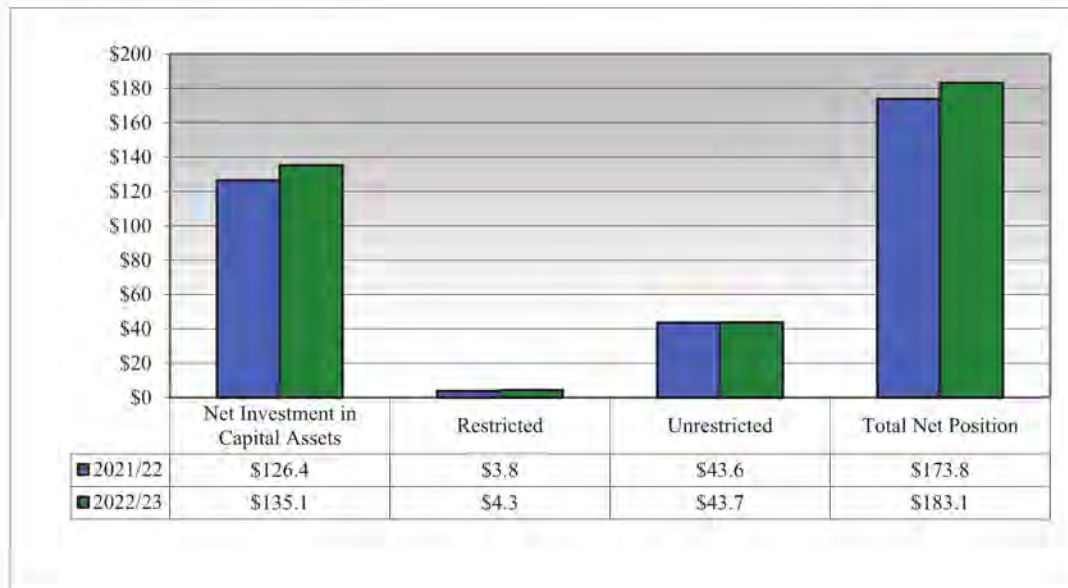
assets to provide services to citizens. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating and generally are not liquidated to repay debt. Therefore, debt service payments are funded from other sources available to the City.

An additional portion of the City's net position (\$4.3 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$43.7 million) may be used to meet the government's ongoing obligations to citizens and creditors.

For the years ended June 30, 2023, and 2022 the City reported positive balances in all three of the categories of net position.

- ❖ The \$8.7 million increase in the City's net investment in capital assets was primarily related to the five parcels of land, valued at \$7,285,000 donated to the City.
- ❖ Restricted net position increased by \$520,574 which is a 14 percent increase, primarily related to an increased availability of transportation related funding.
- ❖ Unrestricted net position increased by \$123,931 primarily due to the expenditure of receipt of grant funding which reimbursed the General Fund for operating expenditures.

The following chart shows the comparison of the three components of net position for fiscal years 2021/22 and 2022/23 (in millions).



**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

***Statement of Activities***

The following is the condensed Statement of Activities for the fiscal years ended June 30, 2023, and 2022.

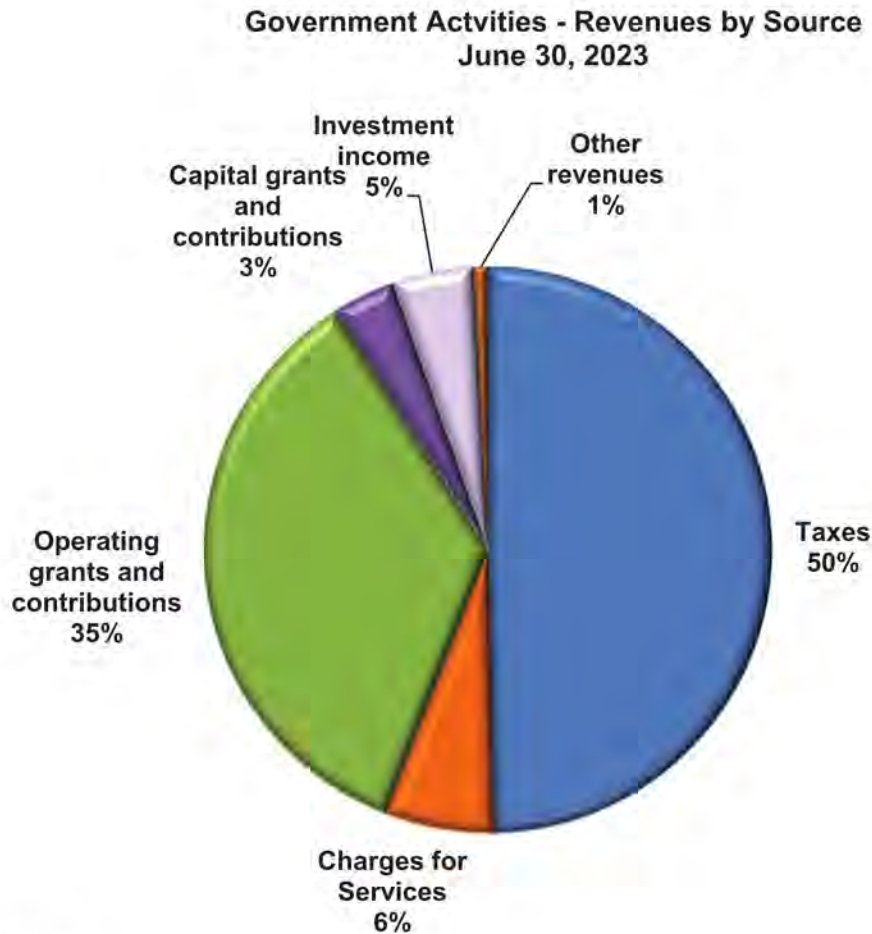
Statement of Activities Changes  
For the Years Ended June 30, 2023, and 2022

	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$2,047,949	\$1,938,075
Operating grants and contributions	11,428,878	7,286,003
Capital grants and contributions	1,176,815	5,304,064
General revenues:		
Taxes	16,199,589	16,185,672
Use of money and property	1,508,148	690,218
Other revenues	279,761	151,263
Total Revenues	32,641,140	31,555,295
Expenses:		
General government	6,592,414	5,398,396
Public safety	5,480,381	5,030,764
Public works	5,134,207	2,635,889
Community development	2,356,568	2,525,934
Community services	3,109,429	4,835,192
Interest and fiscal charges	530,897	522,350
Total Expenses	23,203,896	20,948,525
Increase in Net Position	9,437,244	10,606,770
Net Position – beginning of year, restated	\$173,710,937	\$163,219,167
Net Position – end of year	\$183,148,181	\$173,825,937

The City's activities increased net position by \$9.4 million which was a 5.4 percent increase from the prior fiscal year. The net position for the beginning of the fiscal year has been adjusted by \$115,000 as the intent for the land held for resale changed to be donated instead.

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

Revenues by source are shown in the chart below:



Revenue highlights:

- ❖ Charges for services increased 5.7 percent, or \$109,874, in fiscal year 2022/23. The City was able to increase the number of classes, camps and other activities in the recreation and event center. Additionally, during the fiscal year, there has been an increase in building permits and plan checks.
- ❖ Operating grants and contributions increased \$4,142,875 or 56.9 percent in fiscal year 2022/23. This increase is attributed to the parcels of land valued at \$7,285,000 that were donated to the City.
- ❖ Use of money and property increased \$817,930 or 118.5 percent due to the rise in interest rates and fair market value. Additionally, \$277K is included in this year's use of money and property to account for GASB 34.
- ❖ Tax revenues slightly increased by \$13,917. The increase in property tax and transient occupancy tax was offset by the decrease in sales tax.



**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

Expense highlights:

Total expenses for the City's activities were \$23.2 million, \$2.3 more than the prior fiscal year.

Program revenues offset total expenses as follows:

- ❖ Those who directly benefited from programs contributed \$2.0 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 \$12.6 million.

Functional expenses (excluding interest on debt) for the years ended June 30, 2022 and 2023 were as follows (amount in millions):

	Total Cost of Services		Percent Change	Net (Cost) Revenue of Services		Percent Change
	2023	2022	2022/23	2023	2022	2022/23
General Government	\$ 6.6	\$ 5.3	25%	\$3.1	\$0.2	1450%
Public safety	5.5	5.0	10%	(4.2)	(3.7)	14%
Public works	5.1	4.8	6%	(2.0)	2.2	-191%
Community development	2.4	2.6	-8%	(2.1)	(2.1)	0%
Community services	3.1	2.5	24%	(2.8)	(2.3)	22%
Total	22.7	20.2	12%	(8.0)	(5.7)	40%

In total, the net cost of services increased \$2.3 million. Highlights of the changes are:

- ❖ General Government increased by 1450% primarily due to donated land received at a value of \$7,285,000 and grants received for Roadside Bridge, Kanan/Agoura Intersection, and Kanan Agoura Road.
- ❖ Public Works shows a significant decrease of 191% despite only a 6% increase in the cost of services due to reimbursement received for the Palo Comado project in fiscal year 2020/21.
- ❖ Community Services increased 22% due to an increase in expenses as the community opened following Covid restrictions.

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

***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.

As of the end of 2022/23, the City's funds reported ending fund balances of \$46.1 million, an increase of \$1.5 million in comparison with the prior fiscal year. The increase in fund balance primarily reflects the receipt of parcels that were donated to the City. Additionally, the City received \$763,944 more than it spent in the Measure R Capital Projects Fund, due to a reimbursement for expenditures in the prior fiscal year. Of the \$46.1 million in fund balances at fiscal year-end 2022/23, \$25.6 million is Nonspendable because it represents prepaids and long-term receivables, and \$10.2 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 2022/23, the fund balance of the General Fund was \$39.9 million, with \$25.6 million Nonspendable because it was for prepaids and the receivable from the Successor Agency. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total expenditures. At June 30, 2023, unassigned fund balance was 69 percent of total General Fund expenditures and operating transfers out.

In 2010/11 the General Fund received a transfer in of \$30.6 million from the Redevelopment Agency 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. 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 in 2011/12. Subsequently in 2013/14 the Oversight Board to the Successor Agency approved OB Resolution No. 14-23 determining that the loan was for legitimate redevelopment purposes. In 2014/15 the California State Department of Finance (DOF) further recalculated the loan to have a balance of \$17 million. In 2015/16, with new legislation, the DOF restated the loan to \$26.2 million. For further information, see Note 15(b) to the Basic Financial Statements.

The Successor Housing Agency Fund is a special revenue fund to acquire affordable housing. This fund follows guidelines established by the State of California. The fund balance increased by \$96,638 or 12% in 2022/23. To date, the City has \$894,058 in the fund. The Measure R Capital Projects fund is established to account for Measure R grant monies received from LA METRO. These monies are used for several capital projects, including Agoura Road Widening and Kanan Corridor. Fund balance increased by \$763,944 (25%), as project reimbursements were received from prior expenses. The fund has short-term borrowing from the General Fund and the Traffic Impact Fee Fund, to assist with cashflow needs (\$2.3 million). The Measure M Capital Projects fund is established to account for Measure R grant monies received from LA METRO. These monies are used for capital projects, including Kanan Corridor. Fund balance decreased by \$179,686 (37%), due to timing of project reimbursements. The fund has short-term borrowing from the General Fund to assist with cashflow needs (\$0.7 million). The City anticipates receiving the reimbursement of these expenses at a later date. For further information, see note 4 in the basic financial statements.

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

In preparing the budget, the City attempts to estimate its revenue using realistic, but conservative, methods 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.

In the General Fund, amendments between the original budget and the final budget resulted in an increase to revenues of \$702,433, and increased expenditures and transfers of \$850,448. The increase in revenues primarily related to in taxes, interest earnings, as well as licenses and permits. Expenditures and transfers increased primarily due to adjustments emergency incidents due to the storms and transfers out to other funds. These transfers related to planned capital projects and set-aside for facility improvements, CalPERS retirement costs, and open space.

The City budgets on a cash basis, which includes receipt of loan repayments from the Successor Agency in the amount of \$671,157. According to General Accepted Accounting Principles (GAAP) this revenue is reflected as a receivable in the loan between the City and the Successor Agency. Finally, for budgeting purposes, the City has established a Building Fund, to set-aside monies for future capital improvements; a CalPERS set-aside Fund to account for future retirement costs; and an Open Space, to set-aside monies for future opportunities to purchase parcels. GAAP considers these funds to be a part of the General fund. Therefore, a reconciliation is included to reflect the variance between the actual and final budget amounts. When adjusted, the City General Fund reflected a net total budget variance of (\$146,522), when comparing actual amounts to the final budget for the current fiscal year.

**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, 2023, net capital assets totaled \$146.6 million.

This investment in capital assets includes land, construction in progress, buildings, machinery and equipment, vehicles, and infrastructure. The total increase in the City's capital assets for the current fiscal year is \$8.7 million or 6.9 percent. The increase in capital assets primarily reflects the addition of donated land of \$7.3 million and addition of \$2.2 million in Construction in Progress, related to the Roadside Bridge widening project and the Kanan Corridor project. Both the Roadside Bridge widening project and the Kanan Corrido project were funded through grant resources. This is offset by a \$1,634,518 decrease in infrastructure due to increased depreciation of our existing assets.

Major projects in fiscal year ended 2022/23 include:

- ❖ Construction in progress of the Roadside Bridge Widening Capital Project
- ❖ Construction in progress of the Kanan Corridor Capital Project

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

**City of Agoura Hills Capital Assets**  
**(Net of depreciation)**

	<b>2023</b>	<b>2022</b>
Land	\$ 21,545,555	\$ 14,260,555
Construction in progress	26,871,544	62,776,412
Buildings	17,607,268	17,251,212
Machinery and equipment	176,631	93,134
Vehicles	226,921	94,034
Infrastructure	80,211,200	43,888,486
<b>Total Capital Assets</b>	<b>\$ 146,639,119</b>	<b>\$ 138,363,833</b>

Additional information on the City's capital assets can be found in Note 6 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 \$11.8 million. The City's long-term obligations as of June 30, 2023, and 2022 were as follows:

**City of Agoura Hills Outstanding Debt**

	<b>2023</b>	<b>2022</b>
2013 Lease Revenue Bonds	3,060,324	3,157,090
2016 Lease Revenue Refunding Bonds	8,828,166	9,151,509
<b>Total Outstanding Debt</b>	<b>\$ 11,888,490</b>	<b>\$ 12,308,599</b>

Additional information on the City's long-term debt can be found in Note 7 of the basic Financial Statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

In preparing the budget for 2023/24 the following factors were taken into consideration:

- ❖ The City employees were given a 6% Cost of Living Adjustment and employees who joined CalPERS prior to January 1, 2013, were budgeted to reduce their contribution towards pension costs to 3.1%.
- ❖ Several anticipated large capital projects, including the Ladyface Greenway (\$11,000,000), Kanan Corridor (\$780,000) and Kanan/Agoura Intersection (\$600,000).

The City's operating budget for 2023/24 reflects the use of Measure W, IRWMP, and City funds for the Storm Drain Diversion Project and Measure R, Measure M, and state grant funds for the Ladyface Greenway project.

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2023**

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) 597-7312.

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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF AGOURA HILLS**  
**Statement of Net Position**  
**June 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 20,534,577
Receivables (net of uncollectibles):	
Accounts	4,121,346
Accrued interest	168,524
Due from other governments	3,002,174
Leases	269,720
Investment in joint venture	1,820,035
Restricted assets:	
Cash with fiscal agent	243,842
Advances to Successor Agency, net of allowances	25,477,462
Prepaid costs	85,199
Capital assets (not being depreciated)	48,417,099
Capital assets (net of accumulated depreciation)	98,222,020
<b>Total assets</b>	<b><u>202,361,998</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amount on refunding	335,464
Pension-related	3,338,412
OPEB-related	562,583
<b>Total deferred outflows of resources</b>	<b><u>4,236,459</u></b>
<b>LIABILITIES</b>	
Accounts payable	1,868,639
Accrued liabilities	23,905
Accrued interest	93,437
Deposits payable	972,927
Noncurrent liabilities:	
Due within one year: bonds, notes, and compensated absences	774,221
Due in more than one year:	
Net pension liability	6,636,241
Net OPEB liability	421,634
Bonds, notes, and compensated absences	11,635,242
<b>Total liabilities</b>	<b><u>22,426,246</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension-related	497,305
OPEB-related	526,725
<b>Total deferred inflows of resources</b>	<b><u>1,024,030</u></b>
<b>NET POSITION</b>	
Net investment in capital assets	135,086,093
Restricted:	
Parks and recreation	779,629
Public works	292,037
Capital projects	68,932
Debt service	894,058
Grants programs	130,098
Transportation services	2,135,684
Unrestricted	43,761,650
<b>Total net position</b>	<b><u>\$ 183,148,181</u></b>

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CITY OF AGOURA HILLS  
Statement of Activities  
For the Year Ended June 30, 2023

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
<b>Functions/Programs:</b>					
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 6,592,414	\$ 156,510	\$ 9,541,955	\$ -	\$ 3,106,051
Public safety	5,480,381	1,108,362	165,271	-	(4,206,748)
Community development	2,356,568	226,904	-	-	(2,129,664)
Community services	3,109,429	317,686	-	-	(2,791,743)
Public works	5,134,207	238,487	1,721,652	1,176,815	(1,997,253)
Interest on long-term debt	530,897	-	-	-	(530,897)
<b>Total governmental activities</b>	<b>\$ 23,203,896</b>	<b>\$ 2,047,949</b>	<b>\$ 11,428,878</b>	<b>\$ 1,176,815</b>	<b>\$ (8,550,254)</b>
<b>General revenues:</b>					
					6,554,679
					5,167,372
					3,512,964
					964,574
					1,508,148
					279,761
<b>Total general revenues</b>					<b>17,987,498</b>
<b>Change in net position</b>					<b>9,437,244</b>
Net position-beginning, as restated					173,710,937
<b>Net position-ending</b>					<b>\$ 183,148,181</b>

CITY OF AGOURA HILLS  
Balance Sheet  
Governmental Funds  
June 30, 2023

		Special Revenue Fund	Capital Projects Funds
		Housing Successor Agency	Measure R
	General		
<b>ASSETS</b>			
Cash and investments	\$ 12,004,415	\$ 886,229	\$ 19,806
Receivables (net of allowance for uncollectible):			
Accounts	1,068,715	-	2,351,555
Accrued interest	94,569	7,829	292
Due from other governments	1,368,932	-	71,471
Loans	-	72,431	-
Due from other funds	2,637,323	-	-
Prepaid costs	85,199	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
Advances to successor agency	25,477,462	-	-
<b>Total assets</b>	<b>\$ 42,736,615</b>	<b>\$ 966,489</b>	<b>\$ 2,443,124</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,507,231	\$ -	\$ -
Accrued liabilities	23,905	-	-
Deposits payable	955,319	-	-
Due to other funds	-	-	2,320,396
<b>Total liabilities</b>	<b>2,486,455</b>	<b>-</b>	<b>2,320,396</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	394,953	72,431	2,423,008
<b>Total deferred inflows of resources</b>	<b>394,953</b>	<b>72,431</b>	<b>2,423,008</b>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	25,562,661	-	-
Restricted	-	894,058	-
Committed	729,017	-	-
Assigned	-	-	-
Unassigned	13,563,529	-	(2,300,280)
<b>Total fund balances (deficits)</b>	<b>39,855,207</b>	<b>894,058</b>	<b>(2,300,280)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 42,736,615</b>	<b>\$ 966,489</b>	<b>\$ 2,443,124</b>

CITY OF AGOURA HILLS  
Balance Sheet  
Governmental Funds  
June 30, 2023

	<b>Capital Projects Funds</b>		
	<b>Measure M Capital Projects Fund</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 7,624,127	\$ 20,534,577
Receivables (net of allowance for uncollectible):			
Accounts	421,722	279,354	4,121,346
Accrued interest	-	65,834	168,524
Due from other governments	286,838	1,274,933	3,002,174
Loans	-	197,289	269,720
Due from other funds	-	963,763	3,601,086
Prepaid costs	-	-	85,199
Restricted assets:			
Cash and investments with fiscal agents	-	243,842	243,842
Advances to successor agency	-	-	25,477,462
<b>Total assets</b>	<b>\$ 708,560</b>	<b>\$ 10,649,142</b>	<b>\$ 57,503,930</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 25,876	\$ 335,532	\$ 1,868,639
Accrued liabilities	-	-	23,905
Deposits payable	-	17,608	972,927
Due to other funds	669,751	610,939	3,601,086
<b>Total liabilities</b>	<b>695,627</b>	<b>964,079</b>	<b>6,466,557</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	680,990	1,345,326	4,916,708
<b>Total deferred inflows of resources</b>	<b>680,990</b>	<b>1,345,326</b>	<b>4,916,708</b>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	25,562,661
Restricted	-	3,406,380	4,300,438
Committed	-	5,231,184	5,960,201
Assigned	-	1,126	1,126
Unassigned	(668,057)	(298,953)	10,296,239
<b>Total fund balances (deficits)</b>	<b>(668,057)</b>	<b>8,339,737</b>	<b>46,120,665</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 708,560</b>	<b>\$ 10,649,142</b>	<b>\$ 57,503,930</b>

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**CITY OF AGOURA HILLS**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2023**

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Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 46,120,665
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		146,639,119
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 3,338,412	
Deferred outflows-OPEB related	562,583	
Deferred inflows-pension related	(497,305)	
Deferred inflows-OPEB related	<u>(526,725)</u>	
Total deferred outflows and inflows related to postemployment benefits		2,876,965
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Investment in Joint Venture	1,820,035	
Miscellaneous revenues	<u>4,916,708</u>	
Total other long-term assets		6,736,743
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(11,310,000)	
Compensated absences	(520,973)	
Accrued interest payable on long-term debt	(93,437)	
Net pension liability	(6,636,241)	
Net OPEB liability	<u>(421,634)</u>	
Total long-term liabilities		(18,982,285)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		
Deferred amount on refunding	335,464	
Bond premiums	<u>(578,490)</u>	
Total premiums, discounts, and deferred items		<u>(243,026)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 183,148,181</u></b>

**CITY OF AGOURA HILLS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

		Special Revenue Fund	Capital Projects Fund
	General	Housing Successor Agency	Measure R
<b>REVENUES</b>			
Taxes	\$ 16,163,128	\$ -	\$ -
Licenses and permits	790,556	-	-
Intergovernmental	-	-	864,285
Charges for services	1,066,162	-	-
Use of money and property	1,024,449	22,537	857
Fines and forfeitures	45,574	-	-
Contributions	36,789	-	-
Miscellaneous	279,761	-	-
<b>Total revenues</b>	<b>19,406,419</b>	<b>22,537</b>	<b>865,142</b>
<b>EXPENDITURES</b>			
Current:			
General government	6,017,099	27,684	14,510
Public safety	5,109,266	-	-
Community development	2,282,015	32,446	-
Community services	3,047,204	-	-
Public works	1,655,114	-	28,082
Capital outlay	194,788	-	58,606
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>18,305,486</b>	<b>60,130</b>	<b>101,198</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,100,933</b>	<b>(37,593)</b>	<b>763,944</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	134,231	-
Transfers out	(1,363,005)	-	-
<b>Total other financing sources (uses)</b>	<b>(1,363,005)</b>	<b>134,231</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(262,072)</b>	<b>96,638</b>	<b>763,944</b>
Fund balances (deficit) - as restated	40,117,279	797,420	(3,064,224)
<b>Fund balances (deficit)-ending</b>	<b>\$ 39,855,207</b>	<b>\$ 894,058</b>	<b>\$ (2,300,280)</b>



**CITY OF AGOURA HILLS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance:**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	<b>Capital Projects Fund</b>		
	<b>Measure M Capital Projects Fund</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ 36,461	\$ 16,199,589
Licenses and permits	-	-	790,556
Intergovernmental	95,629	5,625,064	6,584,978
Charges for services	-	73,669	1,139,831
Use of money and property	-	183,733	1,231,576
Fines and forfeitures	-	59,935	105,509
Contributions	-	31,877	68,666
Miscellaneous	-	-	279,761
<b>Total revenues</b>	<b>95,629</b>	<b>6,010,739</b>	<b>26,400,466</b>
<b>EXPENDITURES</b>			
Current:			
General government	14,040	164,631	6,237,964
Public safety	-	363,207	5,472,473
Community development	-	104,651	2,419,112
Community services	-	92,428	3,139,632
Public works	27,667	2,066,401	3,777,264
Capital outlay	233,608	2,438,478	2,925,480
Debt service:			
Principal	-	380,000	380,000
Interest and fiscal charges	-	528,325	528,325
<b>Total expenditures</b>	<b>275,315</b>	<b>6,138,121</b>	<b>24,880,250</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(179,686)</b>	<b>(127,382)</b>	<b>1,520,216</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	1,228,774	1,363,005
Transfers out	-	-	(1,363,005)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,228,774</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(179,686)</b>	<b>1,101,392</b>	<b>1,520,216</b>
Fund balances (deficit) - as restated	(488,371)	7,238,345	44,600,449
<b>Fund balances (deficit)-ending</b>	<b>\$ (668,057)</b>	<b>\$ 8,339,737</b>	<b>\$ 46,120,665</b>

**CITY OF AGOURA HILLS**  
**Reconciliation of the Statement of Revenues, Expenses and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2023**

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

Net change in fund balances - total governmental funds:	\$	1,520,216	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.</p>			
Capital outlay	\$	3,162,068	
Depreciation/amortization expense		<u>(2,171,782)</u>	
Total adjustment			990,286
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>			
Investment in joint venture		276,572	
Earned but unavailable grant revenues		(630,518)	
Earned but unavailable other revenues		<u>(690,380)</u>	
Total adjustment			(1,044,326)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.</p>			
Donations of capital assets		<u>7,285,000</u>	
Total adjustment			7,285,000
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>			
Amortization of bond premiums and discounts		40,109	
Amortization of deferred amounts on refunding		(17,656)	
Principal payments		<u>380,000</u>	
Total adjustment			402,453
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>			
Accrued interest on long-term debt		(2,572)	
Compensated absences		(25,470)	
Changes in pension liabilities and related deferred outflows and inflows of resources		230,790	
Changes in OPEB liabilities and related deferred outflows and inflows of resources		<u>80,867</u>	
Total adjustment			283,615
<b>Change in net position of governmental activities</b>	<b>\$</b>		<b><u>9,437,244</u></b>

**CITY OF AGOURA HILLS**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

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	<u>Private-Purpose Trust Fund</u>	
	<u>Redevelopment Successor Agency</u>	<u>Custodial Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 918,259	\$ 2,300,385
Restricted cash and investments with fiscal agents	673,674	-
Receivables:		
Accounts	-	233,723
Accrued interest	290	-
<b>Total assets</b>	<b><u>1,592,223</u></b>	<b><u>2,534,108</u></b>
<b>LIABILITIES</b>		
Accounts payable	-	234,599
Accrued interest	99,716	-
Advance from the City of Agoura Hills	25,477,462	-
Long-term liabilities:		
Due in one year	150,000	-
Due in more than one year	5,470,000	-
<b>Total liabilities</b>	<b><u>31,197,178</u></b>	<b><u>234,599</u></b>
<b>NET POSITION</b>		
Restricted for:		
Restricted for individuals, organizations, and other governments	(29,604,955)	2,299,509
<b>Total net position</b>	<b><u>\$ (29,604,955)</u></b>	<b><u>\$ 2,299,509</u></b>

CITY OF AGOURA HILLS  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2023

	<u>Private-Purpose Trust Fund Redevelopment Successor Agency</u>	<u>Custodial Fund</u>
<b>ADDITIONS</b>		
Investment earnings:		
Interest	\$ 920	\$ -
Total investment earnings	<u>920</u>	<u>-</u>
Taxes	1,547,377	-
Collected for other governments	-	4,320,256
Miscellaneous	-	571,900
<b>Total additions</b>	<b><u>1,548,297</u></b>	<b><u>4,892,156</u></b>
<b>DEDUCTIONS</b>		
Administrative expenses	193,809	5,857
Contractual services	1,892	2,081,153
Interest expense	774,861	-
Pass through to other governments	-	579,860
<b>Total deductions</b>	<b><u>970,562</u></b>	<b><u>2,666,870</u></b>
<b>Net increase (decrease) in fiduciary net position</b>	<b>577,735</b>	<b>2,225,286</b>
Net position-beginning	<u>(30,182,690)</u>	<u>74,223</u>
<b>Net position-ending</b>	<b><u>\$ (29,604,955)</u></b>	<b><u>\$ 2,299,509</u></b>

**NOTES TO FINANCIAL STATEMENTS**

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**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<sup>th</sup> year end.

**Blended Component Units**

The Agoura Hills Public Facilities Corporation, Agoura Hills Public Financing Authority, Parking Authority of the City of Agoura Hills, and the Agoura Hills Improvement 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 (Financing 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 Financing Authority does not issue separate financial statements.

The Parking Authority of the City of Agoura Hills (Parking Authority) was established June 26, 2013 pursuant to California Streets and Highways Code Section 32650. The members of City Council act as the Board of Directors, the governing board of the Parking Authority. The Parking Authority is considered a blended component unit due to the financial benefit or burden relationship the Parking Authority shares with the City. The Parking Authority does not issue separate financial statements.

The Agoura Hills Improvement Authority (Improvement Authority) was established June 26, 2013 under a joint exercise of power agreement with the Parking Authority and the City. The members of City Council act as the Authority Commission, the governing board of the Improvement Authority. The Improvement Authority is considered a blended component unit due to the financial benefit or burden relationship the Improvement Authority shares with the City as its financial transactions are reported in a debt service fund. The Improvement Authority does not issue separate financial statements.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Funds**

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.

The Housing Successor Agency Special Revenue Fund accounts for restricted revenues and expenditures for the housing activities of the former Redevelopment Agency's Low- and Moderate-Income Fund activities. Revenues received relate to contributions for new housing and loan repayments.



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The Measure M Capital Projects Fund is used to account for grant monies received from sales tax overrides adopted by Los Angeles County and restricted for various transportation projects within the City.

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.

**Fiduciary Funds**

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

The Custodial Fund is used to account for various assets and L.A. County Fire Department fees held by the City in a trustee capacity or as a custodian for individuals, private organizations and/or other governments. The City manages funds for the Malibu Creek TMDL Monitoring Project. The City also acts as a secretary for an organization in which the money is held in the Custodial Fund.

The Redevelopment Successor agency private purpose trust fund 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. The Private-Purpose Trust Fund is reported using the economic resources measurement focus and accrual basis of accounting.

**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 and disclosures of contingent amounts at the date of the basic financial statements, and revenues and expense/expenditures during the reported period. Actual results could differ from those estimates.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position**

**1. Cash and Investments**

The City's cash and investment balance consists of cash on hand, demand deposits and investments. 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 that 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).

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 amounts. 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.

**3. Prepaids**

Certain membership dues and payments to vendors represent expenses that apply to future accounting periods. Prepaid items are expensed when consumed.

**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, infrastructure, lease and subscription 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, donated works of art and similar items, and assets received in service concession arrangements are recorded at acquisition value at the point of acquisition. Lease and subscription assets are valued at the net present value of future lease/subscription payments at the inception of the lease/subscription. The City does not report any lease or subscription assets at June 30, 2023, due to materiality and other considerations, such as current arrangements not meeting GASB-specified criteria. Depreciation of all exhaustible capital assets used by governmental activities is charged as an expense against their operations. Accumulated depreciation and amortization is reported on the statement of net position. Depreciation and amortization 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
Subscriptions	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.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 and gains and losses on debt refunding are deferred and amortized. Bonds payable are reported net of the applicable bond premium or discount.

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.

**8. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The pension liability is liquidated through the City's General Fund.

**9. Other Post-Employment Benefits**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by CalPERS in the California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The OPEB liability is liquidated through the City's General Fund.

**10. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third are the deferred outflows relating to net pension liability and the deferred outflows relating to the net other post-employment benefits liability reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. One arises under a modified accrual basis of accounting, unavailable revenue, which is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second and third items in this category are the deferred inflows relating to the net pension liability and net OPEB liability reported in the government-wide statement of net position.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**11. Changes in Accounting Principles and New GASB Pronouncements**

For 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangement* and Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*

GASB Statement No. 96 – The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. The City had no subscriptions meeting the recognition thresholds or other GASB-specified recognition criteria.

GASB Statement No. 100 – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

**NOTE 2: STEWARDSHIP, ACCOUNTABILITY, AND COMPLIANCE**

**A. Deficit Fund Equity**

The following funds reported deficit fund equity as of June 30, 2023:

Fund Name	Fund Type	Deficit	Cause
Community Development Block Grant	Nonmajor special revenue fund	(3,627)	(a)
Other Grants	Nonmajor special revenue fund	(295,326)	(a)

(a) Deficit due to timing differences between grant receipts and disbursements, and is expected to be eliminated through future grant revenues.

These deficits are due to the timing of grant and other reimbursements.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 3: CASH AND INVESTMENTS**

**A. Cash and Investments**

Cash and investments at June 30, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 20,534,577
Cash with fiscal agent	243,842
Statement of Fiduciary Net Position	
Cash and cash equivalents	3,218,644
Investments	673,674
Total cash and investments	<u>\$ 24,670,737</u>

Cash and investments at June 30, 2023, consisted of the following:

Cash with Fiscal Agent	\$ 917,307
Deposits with financial institutions	3,725,644
Investments	<u>20,027,786</u>
Total cash and investments	<u>\$ 24,670,737</u>

**B. Investments Authorized by the California Government Code and the City's Investment Policy**

The City's investment policy authorizes the following investments under the provisions of California Government Code Section 53601.

<u>Investment Types Authorized by State Law</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (LAIF)	N/A	\$75 million	None
U.S. Treasuries	5 years	75%	20%
Federal Agency Securities	5 Years	75%	20%
Commercial Paper	270 days	5%	5%
Negotiable Certificates of Deposit (CD)	5 Years	30%	5%
Medium-Term Corporate Notes	5 Years	5%	5%
Bank Deposits	5 Years	No limit	No limit
Money Market Funds	None	15%	15%

**C. 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 and concentration of credit risk.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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
Collateralized or 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

**D. 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 311 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. At June 30, 2023, all the City's investments have maturities dates within 12 months or less.

**E. Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual Standard and Poor's rating as of year-end for each investment type. As of June 30, 2023, all of the City's investments are considered unrated.

**F. Concentrations of Credit Risk**

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. The City currently does not have any investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5 percent or more of total City investments.

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**G. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or 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:

The California Government Code requires that a financial institution secure deposit 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 fair 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, \$3,475,644 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.

**H. 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 on 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 does not impose limits or restrictions on participant withdrawals, and the entire balance of the City's investment in the portfolio is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

**I. Fair Value Hierarchy**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 2 inputs utilized by the City to determine fair value include: matrix pricing, market corroborated pricing, and other inputs such as yield curves and indices. Level 3 inputs are significant unobservable inputs. The City currently measures all its investments as uncategorized.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 4: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	\$ 610,939
General fund	Measure R	1,356,633
General fund	Measure M capital projects fund	669,751
Nonmajor governmental funds	Measure R	963,763
	Total	<u>\$ 3,601,086</u>

The General Fund a made short-term loan to the Measure M capital projects fund, Measure R fund, and Other Governmental funds, in the amounts of \$669,751, \$1,356,633, and \$610,939, respectively, to cover cash deficits in operations. In addition, the Other Governmental Funds also loaned monies to the Measure R fund totaling \$963,763 to cover cash deficits in operations.

Transfers Out Fund	Transfers In Fund	Amount
General fund	Housing successor fund	\$ 134,231
	Nonmajor governmental funds	1,228,774
		<u>\$ 1,363,005</u>

The General Fund transferred \$134,231 to the Housing Successor Special Revenue Fund to provide the 20-percent set-aside portion for the loan paid from the Successor Agency to the City. The General Fund transferred \$1,288,774 to the Other Governmental Funds for capital asset acquisitions and debt service payments.

**NOTE 5: ADVANCES TO SUCCESSOR AGENCY**

The City previously loaned the former Redevelopment Agency funds prior to dissolution. The repayment of the advances has been approved by the California Department of Finance. See Note 15b for further detail.



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 6: CAPITAL ASSETS**

A summary of changes in capital asset activity at June 30, 2023, is as follows:

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 14,260,555	\$ 7,285,000	\$ -	\$ -	\$ 21,545,555
Construction-in-progress	62,776,412	2,179,633	-	(38,084,501)	26,871,544
Total capital assets, not being depreciated	77,036,967	9,464,633	-	(38,084,501)	48,417,099
Capital assets, being depreciated:					
Buildings	22,517,229	-	-	855,581	23,372,810
Machinery and Equipment	156,627	90,170	-	-	246,797
Vehicle	638,305	163,953	-	-	802,258
Infrastructure	104,604,242	728,312	-	37,228,920	142,561,474
Total capital assets, being depreciated	127,916,403	982,435	-	38,084,501	166,983,339
Less accumulated depreciation					
Buildings	(5,266,017)	(499,525)	-	-	(5,765,542)
Machinery and Equipment	(63,493)	(6,673)	-	-	(70,166)
Vehicle	(544,271)	(31,066)	-	-	(575,337)
Infrastructure	(60,715,756)	(1,634,518)	-	-	(62,350,274)
Total accumulated depreciation	(66,589,537)	(2,171,782)	-	-	(68,761,319)
Total capital assets, being depreciated, net	61,326,866	(1,189,347)	-	38,084,501	98,222,020
Total governmental activities capital assets	\$ 138,363,833	\$ 8,275,286	\$ -	\$ -	\$ 146,639,119

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

General government	\$ 502,546
Community Service	31,066
Public Works	1,638,170
Total depreciation expense	\$ 2,171,782

**NOTE 7: LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amount Due Within One Year
Bonds payable					
2013 Lease Revenue Bonds	\$ 3,120,000	\$ -	\$ 95,000	\$ 3,025,000	\$ 95,000
Premium	37,090	-	1,766	35,324	-
2016 Lease Revenue Refunding Bonds	8,570,000	-	285,000	8,285,000	305,000
Premium	581,509	-	38,343	543,166	-
Total bonds payable	\$ 12,308,599	\$ -	\$ 420,109	\$ 11,888,490	\$ 400,000

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

**A. Bonds**

2013 Lease Revenue Bonds

On September 1, 2013, the Public Financing Authority issued \$3.675 million in Lease Revenue Bonds with interest rates ranging from 4.00 to 5.00 percent to finance a portion of the costs of the community recreation center project. 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, 2023 is \$3,025,000.

2016 Lease Revenue Refunding Bonds

On November 1, 2016, the Public Financing Authority issued \$10.055 million in Lease Revenue Bonds with interest rates ranging from 4.00 to 5.00 percent to current refund \$10.3 million of 2007 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 June 1, and December 1, each year. The outstanding balance at June 30, 2023 is \$8,285,000.

For both bonds, in the event of default, the bond trustee has the right, but not the obligation to (1) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the City, in order to compel the City to carry out its duties under the law, bond agreements, and covenants; (2) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the bond trustee; and (3) by suit in equity upon the happening of an event of default to require the City to account as the trustee of an express trust. The bond trustee has no right to declare the principal or interest on the bonds to be due and payable immediately.

The future debt service payments are as follows:

June 30	Principal	Interest
2024	\$ 400,000	\$ 505,225
2025	415,000	486,175
2026	440,000	466,425
2027	465,000	445,475
2028	480,000	423,325
2029-2033	2,770,000	1,746,638
2034-2038	3,445,000	1,082,000
2039-2043	2,895,000	311,900
Totals	<u>\$ 11,310,000</u>	<u>\$ 5,467,163</u>

**B. Employee Compensated Absences Payable**

Compensated absences represent the accruals of sick and vacation time for the City's employees. There is no repayment schedule for compensated absences, which become payable when such accruals are used by employees. Compensated absences are typically liquidated through the City's General Fund.

The table below describes the changes in compensated absences for the year ended June 30, 2023:

Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
\$ 495,503	\$ 399,691	\$ 374,221	\$ 520,973	\$ 374,221

**NOTE 8: FUND BALANCE**

The following classifications, in accordance with 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, 2023, the balance is comprised of advances to Successor Agency, 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, which are considered to be equally binding. 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.

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 City's fund balance policy.

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.

Minimum Fund Balance Policy

An amount equal to or greater than 40 percent 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. At June 30, 2023, the City had set aside \$13.6 million pursuant to this policy, which was classified as unassigned fund balance.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 8: FUND BALANCE (CONTINUED)**

	General	Housing Successor Agency	Measure R	Measure M Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Nonspendable</b>						
Prepaid costs	\$ 85,199	\$ -	\$ -	\$ -	\$ -	\$ 85,199
Advances to other funds	25,477,462	-	-	-	-	25,477,462
<b>Total nonspendable</b>	<b>25,562,661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,562,661</b>
<b>Restricted</b>						
Capital projects	-	894,058	-	-	779,629	1,673,687
Debt service	-	-	-	-	292,037	292,037
Air quality improvement	-	-	-	-	68,932	68,932
Grant programs	-	-	-	-	196,548	196,548
Transportation services	-	-	-	-	2,069,234	2,069,234
<b>Total restricted</b>	<b>-</b>	<b>894,058</b>	<b>-</b>	<b>-</b>	<b>3,406,380</b>	<b>4,300,438</b>
<b>Committed</b>						
Capital projects	515,117	-	-	-	3,118,530	3,633,647
Waste management programs	-	-	-	-	251,619	251,619
Housing programs	-	-	-	-	1,861,035	1,861,035
CalPERS set aside	103,753	-	-	-	-	103,753
Open space	110,147	-	-	-	-	110,147
<b>Total committed</b>	<b>729,017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,231,184</b>	<b>5,960,201</b>
<b>Assigned</b>						
Debt service	-	-	-	-	1,126	1,126
<b>Total assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,126</b>	<b>1,126</b>
<b>Unassigned</b>						
	13,563,529	-	(2,300,280)	(668,057)	(298,953)	10,296,239
<b>Total fund balances (deficits)</b>	<b>\$ 39,855,207</b>	<b>\$ 894,058</b>	<b>\$ (2,300,280)</b>	<b>\$ (668,057)</b>	<b>\$ 8,339,737</b>	<b>\$ 46,120,665</b>

**NOTE 9: DEFINED BENEFIT PENSION PLAN**

**A. Plan Descriptions**

All qualified permanent and probationary employees are eligible to participate in the City's miscellaneous cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**B. Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Below is a summary of the plan's provisions and benefits in effect at June 30, 2023, for which the City of Agoura Hills has contracted:

Major Benefit Options	Miscellaneous Prior to June 1, 2013	Miscellaneous PEPRA On or after June 1, 2013
Hire Date	Prior to June 1, 2013	On or after June 1, 2013
Benefit Provision		
Benefit Formula	2.0% @ 55	2.0% @ 62
Social Security	no	no
Full/Modified	full	full
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employer contribution rates	10.34%	7.59%
Required employee contribution rates	6.91%	6.75%
Required employer payment of unfunded liability	\$405,093	\$2,472

New entrants are not allowed in the Miscellaneous Classic Plan.

**C. Contribution Description**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as a reduction to the net pension liability was \$742,201.

**D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability in the amount of \$6,636,241.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The City's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the plan as of June 30, 2021 and 2022, was as follows:

Proportion - June 30, 2021	0.04977%
Proportion - June 30, 2022	<u>0.05745%</u>
Change - Increase (Decrease)	<u>0.00768%</u>

For the year ended June 30, 2023, the City of Agoura Hills recognized pension expense of \$650,886. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 881,676	\$ -
Changes of assumptions	680,022	-
Differences between expected and actual experience	133,269	89,258
Net difference between projected and actual earnings on pension plan investments	1,215,583	-
Change in employer's proportion and difference between contributions and share of contributions	-	408,047
Change in employer's proportion	427,862	-
Total	<u>\$ 3,338,412</u>	<u>\$ 497,305</u>

The \$881,676 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 511,727
2025	447,337
2026	256,874
2027	743,493
2028	-
Thereafter	-
Total	<u>\$ 1,959,431</u>

**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**E. Actuarial Methods and Assumptions**

The proportionate share of the total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The proportionate share of the total pension liability was based on the following assumptions:

Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality rate table <sup>1</sup>	Derived using CalPERS' Membership Data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on CalPERS website.

**F. Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The expected real rates of return by asset class are as follows:

Asset class <sup>1</sup>	Assumed Asset Allocation	Real Return Years 1-10 <sup>2, 3</sup>
Public equity-cap-weighted	30.00 %	4.45 %
Public equity-non-cap-weighted	12.00	3.84
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Private equity	13.00	7.28
Real assets	15.00	3.21
Leverage	(5.00)	(0.59)

<sup>1</sup> In CalPERS' Annual Comprehensive Financial Report (ACFR), fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

<sup>2</sup> An expected inflation rate of 2.30% used for this period.

<sup>3</sup> Figures are based on the 2021-22 Asset Liability Management study.

**H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability of the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.90 percent) or 1% point higher (7.90 percent) than the current rate:

	Discount Rate -1 Percent (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1 Percent (7.90%)
Proportionate share of net pension liability/(asset)	\$ 10,411,135	\$ 6,636,241	\$ 3,530,440

**NOTE 10: SELF INSURANCE**

The City is a member of the California Joint Powers Insurance Authority (CJPIA). CJPIA is comprised of 124 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. CJPIA 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.



**NOTE 10: SELF INSURANCE (CONTINUED)**

**A. Self-Insurance Programs of CJPIA**

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government 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 \$100,000 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 \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on CJPIA's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Workers' Compensation

Claims are pooled separately between public safety (police and fire) and general government 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 \$75,000 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 \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2022-23, CJPIA's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**B. Purchased Insurance**

Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program which is available through CJPIA. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. CJPIA has an aggregate limit of \$20 million.

**NOTE 10: SELF INSURANCE (CONTINUED)**

Property Insurance

The City participates in the all-risk property protection program of CJPIA. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to CJPIA. City property currently has all-risk property insurance protection in the amount of \$37,683,930. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$3,000,000 with a \$2,500 deductible. The fidelity coverage is provided through CJPIA.

**C. 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 2022-23.

**NOTE 11: COMMITMENTS**

The City contracts with the Los Angeles County Sheriff's Department to provide safety services. During the year ended June 30, 2023, the City incurred expenditures of \$4,922,640 for Public Safety services. The current contract between the City and the Los Angeles County Sheriff's Department ends June 30, 2024.

There were no material construction commitments that existed as of June 30, 2023.

**NOTE 12: JOINT VENTURE**

On November 24, 1997, the Agoura Hills and Calabasas Community Center Authority (Authority) was created under a joint exercise of powers agreement. 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 position. The balance as of June 30, 2023, was \$1,820,035.

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 the operation of the Community Center. Copies of the Authority's annual financial statements may be obtained from its location at 27040 Malibu Hills Road, Calabasas, California 91301.

**NOTE 13: CONTINGENCY**

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, 2023. 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 certain 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.

**NOTE 14: OTHER POST-RETIREMENT HEALTH CARE BENEFITS**

**A. Plan Description**

In addition to the pension benefits defined in Note 9, 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. Additionally, the City contributes longevity pay to a Retirement Health Savings (RHS) Trust plan of up to \$500 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. The plan is an agent, multiple-employer plan administered by CalPERS through the California Employers' Retiree Benefit Trust (CERBT).

**B. 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, 2022, measurement date:

Inactive members currently receiving benefits	16
Inactive members entitled to but not yet receiving benefits	2
Active members	34
Total	52

**C. Contributions**

The contribution requirements of plan members and the City are established and may be amended by City Council. In September 2009, the City established an irrevocable trust through CalPERS, in order to prefund its other post-employment benefit (OPEB) liability. For the measurement date ended June 30, 2022, the City recognized \$181,331 in contributions to reduce the net OPEB liability. For the fiscal year ended June 30, 2023, the City's contributions were \$147,419, with \$121,601 in cash contributions and \$25,818 in implied subsidy benefits, respectively, making up the total contribution.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 14: OTHER POST-RETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

**D. Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percent of pay
Amortization Period	16-year fixed period for 2022/23
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount rate	6.25%
General Inflation	2.50%
Medical Trend	Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 Medicare - 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076
Mortality	CalPERS 1997-2015 Experience Study Post-retirement mortality projected fully generational
Mortality Improvement	with ScaleMP-2020
Change of Assumptions	ACA Exercise Tax repealed
Change of Benefit Terms	None

**E. Expected Long-Term Rate of Return**

<u>Asset Class Component</u>	<u>Target Allocation* CERBT - Strategy 1</u>	<u>Expected Real Rate of Return</u>
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
(1) Assumed Long-Term Rate of Inflation		2.50%
(2) Expected Long-Term Net Rate of Return, rounded to the nearest quarter percent		6.25%

The long-term expected real rates of return are presented as geometric means.

\*CalPERS approved new CERBT asset allocations in March 2022. This is not expected to impact the expected long-term rate of return assumptions for CERBT Strategy 1.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 14: OTHER POST-RETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

**F. Discount Rate**

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**G. Changes in the OPEB Liability**

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (measurement date)	\$ 2,778,063	\$ 2,890,368	\$ (112,305)
Changes recognized for the measurement period:			
Service cost	121,398	-	121,398
Interest on total OPEB liability	178,384	-	178,384
Contributions-employer	-	181,331	(181,331)
Net investment income	-	(414,086)	414,086
Benefit payments	(90,639)	(90,639)	-
Administrative expense	-	(1,402)	1,402
Net changes during 2021-22	209,143	(324,796)	533,939
Balance at June 30, 2022 (measurement date)	\$ 2,987,206	\$ 2,565,572	\$ 421,634

**H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	Discount Rate -1 Percent (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1 Percent (7.25%)
Plan's net OPEB liability/(asset)	\$ 845,339	\$ 421,634	\$ 75,416

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 14: OTHER POST-RETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

**I. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1 Percent Decrease	Current Healthcare Trend Rate	1 Percent Increase
Plan's net OPEB liability/(asset)	\$ 214,206	\$ 421,634	\$ 613,632

**J. OPEB Plan Fiduciary Net Position**

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

**K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$66,552. As of fiscal year ended June 30, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 147,419	\$ -
Changes of assumptions	183,803	13,326
Differences between expected and actual experience	-	513,399
Net difference between projected and actual earnings on OPEB plan investments	231,361	-
Total	<u>\$ 562,583</u>	<u>\$ 526,725</u>

The \$147,419 reported as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction to net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (42,047)
2025	(44,497)
2026	(58,337)
2027	66,733
2028	(33,413)
Thereafter	-
Total	<u>\$ (111,561)</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 15: SUCCESSOR AGENCY TRUST FOR ASSETS OF THE 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 City Council elected to become the Successor Agency for the former redevelopment agency.

Successor agencies are only allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations as approved by the Successor Agency Oversight Board and the California Department of Finance.

The Bill directed 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.

**A. Cash and investments**

As of June 30, 2023, cash and investments were reported in the accompanying financial statements as follows:

Cash and investments	\$ 918,259
Cash and investments with fiscal agent	673,674
Total net position	<u>\$ 1,591,933</u>

**B. Advance from the City of Agoura Hills**

On May 15, 2013, the City received notification that a Finding of Completion has been granted, which allows for: 1) loan agreements between the former redevelopment agency and City may be placed on the ROPS as an enforceable obligation, provided the oversight board makes a finding that the loan was for a legitimate redevelopment purpose per California Health and Safety Code (HSC) section 34191.4(b)(1), and 2) utilizing proceeds

derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4(c).

The Oversight Board to the Successor Agency approved OB Resolution No. 14-23 determining that the amounts advanced to the former redevelopment agency were for legitimate redevelopment purposes. The Advance from the City of Agoura Hills as of June 30, 2023, consist of the following:

Advance from the City of Agoura Hills	\$ 27,950,789
Allowance for uncollectable	<u>(2,473,327)</u>
Advance from the City of Agoura Hills - Net	<u>\$ 25,477,462</u>

California Health and Safety Code Section 34191.4(b)(2) outlines the terms for restructuring city loans to former redevelopment agencies as follows: "the accumulated interest on the remaining principal amount of the loan shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund." The management's position is to apply the historical Local Agency Investment Fund (LAIF) rate over the life of the loan.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 15: SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

The California Department of Finance (DOF) has provided information regarding the recalculation of accrued interest for city loans to redevelopment agencies. The DOF applies the LAIF rate for the quarter during which the Oversight Board makes a finding that the loan was made for legitimate redevelopment purposes to the entire life of the loan. Based on this assumption, the advance from the City is recalculated to have a June 30, 2023, balance of \$25,477,462. The City has recorded an allowance for the difference between methodologies of the City and DOF. As further information becomes available, the allowance for uncollectable amounts may be adjusted in future periods.

During fiscal year ended June 30, 2023, the Successor Agency made a payment of \$671,157 to the City to pay down the balance.

**C. Long-Term Debt**

A description of long-term debt outstanding of the Successor Agency as of June 30, 2023, is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amount Due Within One Year
Long-term debt					
Housing Set-Aside Tax Allocation Bonds series 2008 - following defeasance	\$ 980,000	\$ -	\$ 30,000	\$ 950,000	\$ 30,000
Tax Allocation Bonds Series 2008 A-T	4,780,000	-	110,000	4,670,000	120,000
Total long-term debt	<u>\$ 5,760,000</u>	<u>\$ -</u>	<u>\$ 140,000</u>	<u>\$ 5,620,000</u>	<u>\$ 150,000</u>

Housing Set-Aside Tax Allocation Bonds Series 2008

On June 5, 2008, the Redevelopment Agency issued \$10,000,000 in Housing Set-Aside Tax Allocation Bonds to finance low- and moderate-income housing of the Agoura Hills Redevelopment Agency. During fiscal year ended June 30, 2013, the Successor Agency defeased \$8,200,000 of this debt for a remaining bond balance of \$1,195,000 and interest rates ranging from 4.0 to 5.0 percent. The principal of the bonds is payable on their maturity date of October 1, of each year. Interest on the bond is payable on October 1, and April 1, each year. The bond is insured against events of default and acceleration of maturities, so long as the City is in compliance with the terms of the bond insurance policy. As of June 30, 2023, the City has complied with the terms of the bond insurance policy. The outstanding balance at June 30, 2023 is \$950,000.

Tax Allocation Bonds Series 2008 A-T

On June 5, 2008, the Redevelopment Agency issued \$5,750,000 in Tax Allocation Bonds Series A-T with interest rates ranging from 4.728 to 7.842 percent to finance certain redevelopment project within the Agoura Hills Redevelopment Area. The principal of the bonds is payable on their maturity date of October 1, of each year. Interest on the bond is payable on October 1, and April 1, each year. The bond is insured against events of default and acceleration of maturities, so long as the City is in compliance with the terms of the bond insurance policy. As of June 30, 2023, the City has complied with the terms of the bond insurance policy. The outstanding balance at June 30, 2023, is \$4,670,000.



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**NOTE 15: SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

The future debt service payments are as follows:

June 30	Principal	Interest
2024	\$ 150,000	\$ 400,642
2025	160,000	390,314
2026	170,000	379,093
2027	180,000	367,204
2028	195,000	354,466
2029-2033	1,200,000	1,539,548
2034-2038	1,695,000	1,022,151
2039-2043	1,870,000	289,889
Totals	<u>\$ 5,620,000</u>	<u>\$ 4,743,307</u>

**D. Pledged Revenue**

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low- and Moderate-Income Housing set-aside and pass-through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low- and Moderate-Income Housing project. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$10,363,307 with annual debt service requirements as indicated above. For the current year, the debt service obligation on the bonds was \$550,037 and taxes received to pay enforceable obligations was \$1,547,377.

**NOTE 16: PRIOR PERIOD ADJUSTMENTS**

**A. Change in Accounting Principle (Column B)**

During fiscal year 2023, the City reassessed land held for resale and determined they would no longer sell the land and instead donate the land at some point in the future. As a result, the City moved the land from land held for resale to a capital asset. The effect was a \$115,000 restatement to fund balance and net position.

**B. Adjustments to and Restatements of Beginning Balances**

During fiscal year 2023, changes to or within the financial reporting entity, an error correction, and the change in accounting principle resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

June 30, 2022 As Previously Reported	(B) Changes in Accounting Principle	June 30, 2022 As Restated
\$ 40,232,279	\$ (115,000)	\$ 40,117,279

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF AGOURA HILLS**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 15,994,437	\$ 16,443,770	\$ 16,163,128	\$ (280,642)
Licenses and permits	523,000	623,000	790,556	167,556
Charges for services	955,800	956,400	1,066,162	109,762
Use of money and property	453,000	587,000	1,011,700	424,700
Fines and forfeitures	64,000	45,000	45,574	574
Contributions	36,500	36,500	36,789	289
Miscellaneous	810,157	847,657	279,761	(567,896)
<b>Total revenues</b>	<b>18,836,894</b>	<b>19,539,327</b>	<b>19,393,670</b>	<b>(145,657)</b>
<b>EXPENDITURES</b>				
Current:				
General government				
City Council	198,377	145,161	139,605	5,556
City Manager	1,686,086	1,673,777	1,708,567	(34,790)
City Clerk	336,254	342,368	276,023	66,345
City Attorney	297,465	797,000	796,197	803
Finance	631,756	741,750	694,134	47,616
Public Facilities	331,000	437,000	383,308	53,692
Non-Departmental	1,563,982	1,551,982	1,431,592	120,390
Automated Office System	393,825	363,825	365,673	(1,848)
Public safety				
Los Angeles County Sheriff	4,776,179	4,776,079	4,762,673	13,406
Emergency Services	13,000	14,100	12,191	1,909
Animal Control	120,000	73,000	86,048	(13,048)
School Crossing Guards	-	50,000	49,556	444
Emergency Incident	-	287,000	198,798	88,202
Community development				
Community Development	1,655,704	1,441,036	1,520,206	(79,170)
Building & Safety	684,760	763,860	761,809	2,051
Parks and recreation				
Recreation	454,740	383,440	331,761	51,679
Reyes Adobe	29,140	21,640	21,151	489
Recreation Center	411,884	428,884	458,365	(29,481)
Community Services	1,613,046	1,614,836	1,619,231	(4,395)
Parks Maintenance	704,000	625,000	616,696	8,304
Public works				
Public Works	1,047,226	1,285,734	1,155,189	130,545
Traffic Safety	55,000	65,000	43,519	21,481
Landscape Maintenance	182,000	152,000	162,267	(10,267)
Storm Drain & Flood Control	301,800	238,700	294,139	(55,439)
Capital outlay	261,200	234,200	194,788	39,412
<b>Total expenditures</b>	<b>17,748,424</b>	<b>18,507,372</b>	<b>18,083,486</b>	<b>423,886</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,088,470</b>	<b>1,031,955</b>	<b>1,310,184</b>	<b>278,229</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,056,005)	(1,147,505)	(1,363,005)	(215,500)
<b>Total other financing sources (uses)</b>	<b>(1,056,005)</b>	<b>(1,147,505)</b>	<b>(1,363,005)</b>	<b>(215,500)</b>
<b>Net change in fund balance</b>	<b>\$ 32,465</b>	<b>\$ (115,550)</b>	<b>(52,821)</b>	<b>\$ 62,729</b>
Fund balance-beginning, as restated			39,512,281	
<b>Fund balance-ending</b>			<b>\$ 39,459,460</b>	

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CITY OF AGOURA HILLS  
Housing Successor Agency  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 22,537	\$ 12,537
<b>Total revenues</b>	<b>10,000</b>	<b>10,000</b>	<b>22,537</b>	<b>12,537</b>
<b>EXPENDITURES</b>				
Current:				
General government	19,142	19,142	27,684	(8,542)
Community development	242,293	32,293	32,446	(153)
<b>Total expenditures</b>	<b>261,435</b>	<b>51,435</b>	<b>60,130</b>	<b>(8,695)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(251,435)</b>	<b>(41,435)</b>	<b>(37,593)</b>	<b>3,842</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	147,980	134,231	134,231	-
<b>Total other financing sources (uses)</b>	<b>147,980</b>	<b>134,231</b>	<b>134,231</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (103,455)</b>	<b>\$ 92,796</b>	<b>96,638</b>	<b>\$ 3,842</b>
Fund balance-beginning			797,420	
<b>Fund balance-ending</b>			<b>\$ 894,058</b>	

**NOTE 1: 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. 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.

The budgetary schedule for the general fund does not include the facilities fund, open space fund, CalPERS set-aside fund or the deposits fund, which do not have a legally adopted budget, however, are included in the general fund for financial statement reporting purposes. See reconciliation of the ending fund balance reported on the budgetary schedule for the general fund to the ending fund balance reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance, below.

<b>Ending fund balance per budgetary schedule</b>	<b>\$ 39,459,460</b>
Facilities Fund, CalPERS Set-Aside Fund, Deposits Fund	
Fund balance - beginning	604,998
Total revenues	12,749
Total expenditures	(222,000)
Total other financing sources - transfers in	-
Change in fund balances	<u>395,747</u>
<b>Ending fund balance per Statement of Revenues, Expenditures, and Changes in Fund Balance</b>	<b><u>\$ 39,855,207</u></b>

**NOTE 2: 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. All annual appropriations lapse at year end but can be carried forward at the 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 legal level for which expenditures are not to exceed appropriations is at the fund level for all funds except the General Fund and at the department level for the General Fund. 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 Required Supplementary Information**  
**June 30, 2023**

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**NOTE 2: BUDGETARY INFORMATION (CONTINUED)**

Excess of expenditures over appropriations per activity is as follows:

Fund	Final Budget	Expenditures	Excess
Major Funds			
General Fund			
City Manager	\$ 1,673,777	\$ 1,708,567	\$ (34,790)
Non-departmental	1,551,982	1,653,592	(101,610)
Automated office system	363,825	365,673	(1,848)
Animal control	73,000	86,048	(13,048)
Community development	1,441,036	1,520,206	(79,170)
Recreation center	428,884	458,365	(29,481)
Community services	1,614,836	1,619,231	(4,395)
Landscape maintenance	152,000	162,267	(10,267)
Storm drain & flood control	238,700	294,139	(55,439)
Housing successor agency			
General government	19,142	27,684	(8,542)
Community development	32,293	32,446	(153)

**CITY OF AGOURA HILLS**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**As of June 30, for the Last Ten Fiscal Years <sup>1</sup>**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Date	6/30/2022	6/30/2021	6/30/2020
<b>TOTAL OPEB LIABILITY</b>			
Service cost	\$ 121,398	\$ 123,154	\$ 120,459
Interest on total pension liability	178,384	194,591	180,971
Changes of assumptions	-	223,632	(23,322)
Difference between expected and actual experience	-	(479,837)	-
Benefit payments, including refunds of employee contributions	(90,639)	(86,301)	(71,745)
<b>Net change in total OPEB liability</b>	<b>209,143</b>	<b>(24,761)</b>	<b>206,363</b>
Total OPEB liability-beginning	2,778,063	(2,802,824)	2,596,461
<b>Total OPEB liability-ending (a)</b>	<b>2,987,206</b>	<b>2,778,063</b>	<b>2,802,824</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions-employer	181,331	195,142	219,000
Net investment income	(414,086)	622,558	74,350
Benefit payments, including refunds of employee contributions	(90,639)	(86,301)	(71,745)
Administrative expense	(1,402)	(1,459)	(1,516)
<b>Net change in fiduciary net position</b>	<b>(324,796)</b>	<b>729,940</b>	<b>220,089</b>
Plan fiduciary net position-beginning	2,890,368	2,160,428	1,940,339
<b>Plan fiduciary net position-ending (b)</b>	<b>2,565,572</b>	<b>2,890,368</b>	<b>2,160,428</b>
<b>Net OPEB liability/(asset) (a) - (b)</b>	<b>\$ 421,634</b>	<b>\$ (112,305)</b>	<b>\$ 642,396</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>85.9%</b>	<b>104.0%</b>	<b>77.1%</b>
Covered-employee payroll	\$ 3,401,850	\$ 3,371,342	\$ 3,823,238
<b>Plan net OPEB liability/(asset) as a percentage of covered-employee payroll</b>	<b>12.4%</b>	<b>-3.3%</b>	<b>16.8%</b>

**Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:**

*Benefit Changes:* None

*Changes of Assumptions:* None

<sup>1</sup> Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only six years are shown.

<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2017</b>
111,530	\$ 108,282	\$ 105,000
186,801	171,706	157,000
55,287	-	-
(381,914)	-	-
<u>(62,265)</u>	<u>(56,966)</u>	<u>(56,000)</u>
<b>(90,561)</b>	<b>223,022</b>	<b>206,000</b>
<u>2,687,022</u>	<u>2,464,000</u>	<u>2,258,000</u>
<b><u>2,596,461</u></b>	<b><u>2,687,022</u></b>	<b><u>2,464,000</u></b>
208,093	197,000	175,000
113,860	124,567	135,000
(62,265)	(56,966)	(56,000)
(798)	(3,152)	(1,000)
<u>258,890</u>	<u>261,449</u>	<u>253,000</u>
<u>1,681,449</u>	<u>1,420,000</u>	<u>1,167,000</u>
<b><u>1,940,339</u></b>	<b><u>1,681,449</u></b>	<b><u>1,420,000</u></b>
<b><u>\$ 656,122</u></b>	<b><u>\$ 1,005,573</u></b>	<b><u>\$ 1,044,000</u></b>
<b>74.7%</b>	<b>62.6%</b>	<b>57.6%</b>
\$ 3,512,954	\$ 3,370,827	\$ 3,197,648
<b>18.7%</b>	<b>29.8%</b>	<b>32.6%</b>

**CITY OF AGOURA HILLS**  
**Schedules of Plan Contributions**  
**As of June 30, for the Last Ten Fiscal Years <sup>1</sup>**

<b>Fiscal Year Ending June 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered/ Covered- Employee Payroll</b>	<b>Contribution as a % of Covered/ Covered Employee Payroll</b>
<b>Miscellaneous Cost-Sharing, Multiple-Employer Pension Plan</b>					
2023	\$ 856,676	\$ 881,676	\$ (25,000)	\$ 4,329,754	20.4%
2022	742,201	742,201	-	3,699,344	20.1%
2021	670,392	670,392	-	3,371,342	19.9%
2020	633,776	633,776	-	3,823,238	16.6%
2019	525,812	525,812	-	3,512,954	15.0%
2018	443,161	443,161	-	3,370,827	13.1%
2017	392,645	392,645	-	3,197,648	12.3%
2016	350,597	350,597	-	3,109,153	11.3%
2015	338,101	338,101	-	3,104,821	10.9%

**Notes to Schedule of Plan Contributions:**

Valuation Date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age Normal

Amortization method: For details, see June 30, 2020 Funding Valuation Report available on CalPERS' website.

Remaining amortization period: For details, see June 30, 2020 Funding Valuation Report available on CalPERS' website.

Inflation: 2.5%

Salary Increases: Varies by entry age and service

Investment rate of return: 7.0%

Cost of Living Adjustments: 2.0%

Retirement age: Based on the 2017 CalPERS Experience Study for the period 1997-2015

Mortality: Based on the 2017 CalPERS Experience Study for the period 1997-2015. Post-retirement mortality rates include 15 years of projected on-going mortality improvements using 90% of Scale MP 2016 published by the Society of Actuaries.

<sup>1</sup> Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

**Single Employer OPEB Plan**

2023	\$ 141,843	\$ 147,419	\$ (5,576)	\$ 4,000,146	3.7%
2022	181,331	181,331	-	3,401,850	5.3%
2021	176,760	195,142	(18,382)	3,371,342	5.8%
2020	201,000	219,000	(18,000)	3,823,238	5.7%
2019	195,000	208,093	(13,093)	3,512,954	5.9%
2018	189,000	197,000	(8,000)	3,370,827	5.8%

**Notes to Schedule of Plan Contributions:**

Valuation Date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age Normal

Amortization method: For details, see June 30, 2021 Funding Valuation Report available on CalPERS' website.

Remaining amortization period: For details, see June 30, 2021 Funding Valuation Report available on CalPERS' website.

Inflation: 2.5%

Salary Increases: Varies by entry age and service

Investment rate of return: 6.25%

Cost of Living Adjustments: 2.0%

Retirement age: Based on the 2017 CalPERS Experience Study for the period 1997-2015

Mortality: Based on the 2017 CalPERS Experience Study for the period 1997-2015. Post-retirement mortality rates include 15 years of projected on-going mortality improvements using 90% of Scale MP 2020 published by the Society of Actuaries.

<sup>1</sup> Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**CITY OF AGOURA HILLS**  
**Schedules of Proportionate Share of Net Pension Liability**  
**As of June 30, for the Last Ten Fiscal Years <sup>1</sup>**

<b>Reporting Date <sup>2</sup> as of June 30,</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate Share of Net Pension Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability as a % of Covered Payroll</b>	<b>Plan's Fiduciary Net Position as a % of the Total Pension Liability</b>
<b>Miscellaneous Plan</b>					
2023	0.05745%	\$ 6,636,241	\$ 3,699,344	179.4%	76.7%
2022	0.04977%	2,691,618	3,371,342	79.8%	88.3%
2021	0.04984%	5,422,335	3,823,238	141.8%	75.1%
2020	0.04781%	4,899,474	3,512,954	139.5%	75.3%
2019	0.04561%	4,364,714	3,370,827	129.5%	75.3%
2018	0.04517%	4,479,822	3,197,648	140.1%	73.3%
2017	0.04331%	3,747,628	3,109,153	120.5%	74.1%
2016	0.03983%	2,733,736	3,104,821	88.0%	78.4%
2015	0.04212%	2,621,118	3,403,443	77.0%	79.8%

**Notes to Schedule of Proportionate Share of the Net Pension Liability:**

*Benefit Changes* : None

*Changes of Assumptions* : None

<sup>1</sup> Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore only nine years are shown.

<sup>2</sup> The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.

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## SUPPLEMENTARY SCHEDULES

## 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 (Prop A)** – To account for Proposition A funds received from the County of Los Angeles which may only be used to provide transportation services.

**Public Transit (Prop C)** – 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.

**Community Development Block Grant** – To account for restricted housing rehabilitation loans administered with Community Development Block Grant (CDBG) funds.

**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** – is used to account for various state grant funds received for street improvements and park developments.

**Inclusionary Housing** – To account for in-lieu fees that are committed for the development or maintenance of housing that is affordable to low to moderate income households.

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

**Road Rehab** – To account for funds allocated to the City for road maintenance and rehabilitation.

**Measure M** – To account for funds allocated to the City for transit projects.

**Measure W** – To account for funds collected from a parcel of tax of 2.5 cents per square foot impermeable area. Tax receipts will be used to improve water quality, increase local supply, and enhance the community.



## DESCRIPTION OF NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

### Nonmajor Capital Projects Funds

**Recreation Center Capital Projects** – To account for the funds to be used for that are assigned for the development or maintenance of the City's recreation center.

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

**Capital Projects** – To account for funds that are to be used for various capital projects throughout the City.

### Nonmajor Debt Service Funds

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

**Agoura Hills Improvement Authority** – To account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

CITY OF AGOURA HILLS  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

Special Revenue Funds

	Traffic Improvement	Traffic Safety	Transit Tax (Prop A)	Public Transit (Prop C)
<b>ASSETS</b>				
Cash and investments	\$ 84,822	\$ 46,428	\$ 1,511,069	\$ 714,282
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Accrued interest	1,369	223	12,950	6,346
Due from other governments	1	2,763	40,243	351
Leases	-	-	-	-
Due from other funds	963,763	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total assets</b>	<b>1,049,955</b>	<b>49,414</b>	<b>1,564,262</b>	<b>720,979</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 104,004	\$ 5,310
Deposits payable	17,608	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>17,608</b>	<b>-</b>	<b>104,004</b>	<b>5,310</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	40,243	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>40,243</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	-	1,420,015	715,669
Committed	1,032,347	49,414	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>1,032,347</b>	<b>49,414</b>	<b>1,420,015</b>	<b>715,669</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,049,955</b>	<b>\$ 49,414</b>	<b>\$ 1,564,262</b>	<b>\$ 720,979</b>

Special Revenue Funds

	Air Quality Management	Community Development Block Grant	Supplemental Law Enforcement	Solid Waste Management
<b>ASSETS</b>				
Cash and investments	\$ 61,832	\$ -	\$ 153,306	\$ 229,955
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	24,186
Accrued interest	505	-	1,462	2,296
Due from other governments	6,595	8,735	-	-
Leases	-	197,289	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total assets</b>	<b>68,932</b>	<b>206,024</b>	<b>154,768</b>	<b>256,437</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,666	\$ 24,670	\$ 4,814
Deposits payable	-	-	-	-
Due to other funds	-	6,961	-	-
<b>Total liabilities</b>	<b>-</b>	<b>8,627</b>	<b>24,670</b>	<b>4,814</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	201,024	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>201,024</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	68,932	-	130,098	-
Committed	-	-	-	251,623
Assigned	-	-	-	-
Unassigned	-	(3,627)	-	-
<b>Total fund balances (deficits)</b>	<b>68,932</b>	<b>(3,627)</b>	<b>130,098</b>	<b>251,623</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 68,932</b>	<b>\$ 206,024</b>	<b>\$ 154,768</b>	<b>\$ 256,437</b>

CITY OF AGOURA HILLS  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

Special Revenue Funds

	State Gas Tax	Measure R	Other Grants	Inclusionary Housing
<b>ASSETS</b>				
Cash and investments	\$ 88,970	\$ 236,257	\$ 25,000	\$ 1,847,763
Receivables (net of allowance for uncollectible):				
Accounts	-	-	161,244	-
Accrued interest	793	1,841	-	16,272
Due from other governments	44,670	36	629,772	-
Leases	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total assets</b>	<b>134,433</b>	<b>238,134</b>	<b>816,016</b>	<b>1,864,035</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 46,311	\$ 11,170	\$ 8,849	\$ 3,000
Deposits payable	-	-	-	-
Due to other funds	-	-	554,858	-
<b>Total liabilities</b>	<b>46,311</b>	<b>11,170</b>	<b>563,707</b>	<b>3,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	547,635	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>547,635</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	88,122	226,964	-	-
Committed	-	-	-	1,861,035
Assigned	-	-	-	-
Unassigned	-	-	(295,326)	-
<b>Total fund balances (deficits)</b>	<b>88,122</b>	<b>226,964</b>	<b>(295,326)</b>	<b>1,861,035</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 134,433</b>	<b>\$ 238,134</b>	<b>\$ 816,016</b>	<b>\$ 1,864,035</b>

	Special Revenue Funds			
	Utility Undergrounding	Road Rehab Fund	Measure M Fund	Measure W Fund
<b>ASSETS</b>				
Cash and investments	\$ 54,584	\$ 33,132	\$ 150,924	\$ 283,458
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Accrued interest	481	144	1,368	2,577
Due from other governments	-	79,144	-	47
Leases	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total assets</b>	<b>55,065</b>	<b>112,420</b>	<b>152,292</b>	<b>286,082</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 8,287	\$ 77,964	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>8,287</b>	<b>77,964</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	104,133	74,328	286,082
Committed	55,065	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>55,065</b>	<b>104,133</b>	<b>74,328</b>	<b>286,082</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 55,065</b>	<b>\$ 112,420</b>	<b>\$ 152,292</b>	<b>\$ 286,082</b>

CITY OF AGOURA HILLS  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	Capital Projects Funds			Debt Service Funds
	Recreation Center	Storm Water Capital Projects	Capital Projects Fund	Financing Authority Debt Service
<b>ASSETS</b>				
Cash and investments	\$ 89,500	\$ 1,108,338	\$ 856,961	\$ 1,115
Receivables (net of allowance for uncollectible):				
Accounts	-	93,924	-	-
Accrued interest	-	8,677	6,755	10
Due from other governments	41,443	421,133	-	-
Leases	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	1
<b>Total assets</b>	<b>130,943</b>	<b>1,632,072</b>	<b>863,716</b>	<b>1,126</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 7,188	\$ 25,929	\$ 6,370	\$ -
Deposits payable	-	-	-	-
Due to other funds	49,120	-	-	-
<b>Total liabilities</b>	<b>56,308</b>	<b>25,929</b>	<b>6,370</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	41,443	514,981	-	-
<b>Total deferred inflows of resources</b>	<b>41,443</b>	<b>514,981</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	-	-	-
Committed	33,192	1,091,162	857,346	-
Assigned	-	-	-	1,126
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>33,192</b>	<b>1,091,162</b>	<b>857,346</b>	<b>1,126</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 130,943</b>	<b>\$ 1,632,072</b>	<b>\$ 863,716</b>	<b>\$ 1,126</b>

CITY OF AGOURA HILLS  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	<u>Debt Service Funds</u>	
	<u>Agoura Hills Improvement Authority</u>	<u>Total Nonmajor Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 46,431	\$ 7,624,127
Receivables (net of allowance for uncollectible):		
Accounts	-	279,354
Accrued interest	1,765	65,834
Due from other governments	-	1,274,933
Leases	-	197,289
Due from other funds	-	963,763
Restricted assets:		
Cash and investments with fiscal agents	243,841	243,842
<b>Total assets</b>	<u>292,037</u>	<u>10,649,142</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 335,532
Deposits payable	-	17,608
Due to other funds	-	610,939
<b>Total liabilities</b>	<u>-</u>	<u>964,079</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues	-	1,345,326
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>1,345,326</u>
<b>FUND BALANCES (DEFICITS)</b>		
Restricted	292,037	3,406,380
Committed	-	5,231,184
Assigned	-	1,126
Unassigned	-	(298,953)
<b>Total fund balances (deficits)</b>	<u>292,037</u>	<u>8,339,737</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 292,037</u>	<u>\$ 10,649,142</u>

**CITY OF AGOURA HILLS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Traffic Improvement</b>	<b>Traffic Safety</b>	<b>Transit Tax (Prop A)</b>	<b>Public Transit (Prop C)</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	653,395	571,441
Charges for services	-	-	-	-
Use of money and property	6,226	560	35,136	18,923
Fines and forfeitures	-	59,935	-	-
Contributions	3,094	-	-	-
<b>Total revenues</b>	<b>9,320</b>	<b>60,495</b>	<b>688,531</b>	<b>590,364</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	12,928	-
Public safety	-	39,980	-	-
Community development	-	-	-	-
Community services	-	-	84,095	-
Public works	-	-	344,724	315,651
Capital outlay	594,406	-	-	245,328
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>594,406</b>	<b>39,980</b>	<b>441,747</b>	<b>560,979</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(585,086)</b>	<b>20,515</b>	<b>246,784</b>	<b>29,385</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(585,086)</b>	<b>20,515</b>	<b>246,784</b>	<b>29,385</b>
Fund balances (deficit)-beginning	1,617,433	28,899	1,173,231	686,284
<b>Fund balances (deficit)-ending</b>	<b>\$ 1,032,347</b>	<b>\$ 49,414</b>	<b>\$ 1,420,015</b>	<b>\$ 715,669</b>



CITY OF AGOURA HILLS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

(Continued)

	Special Revenue Funds			
	Air Quality Management	Community Development Block Grant	Supplemental Law Enforcement	Solid Waste Management
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 36,461
Intergovernmental	31,174	12,280	165,271	-
Charges for services	-	-	-	73,669
Use of money and property	1,756	-	4,802	6,385
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
<b>Total revenues</b>	<b>32,930</b>	<b>12,280</b>	<b>170,073</b>	<b>116,515</b>
<b>EXPENDITURES</b>				
Current:				
General government	104,593	-	-	-
Public safety	-	-	148,020	-
Community development	-	-	-	101,651
Community services	-	8,333	-	-
Public works	-	-	-	-
Capital outlay	-	-	40,400	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>104,593</b>	<b>8,333</b>	<b>188,420</b>	<b>101,651</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(71,663)</b>	<b>3,947</b>	<b>(18,347)</b>	<b>14,864</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(71,663)</b>	<b>3,947</b>	<b>(18,347)</b>	<b>14,864</b>
Fund balances (deficit)-beginning	140,595	(7,574)	148,445	236,759
<b>Fund balances (deficit)-ending</b>	<b>\$ 68,932</b>	<b>\$ (3,627)</b>	<b>\$ 130,098</b>	<b>\$ 251,623</b>

**CITY OF AGOURA HILLS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2023**

**Special Revenue Funds**

	<u>State Gas Tax</u>	<u>Measure R</u>	<u>Other Grants</u>	<u>Inclusionary Housing</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	513,080	334,412	1,522,281	-
Charges for services	-	-	-	-
Use of money and property	2,724	4,898	144	47,114
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
<b>Total revenues</b>	<b>515,804</b>	<b>339,310</b>	<b>1,522,425</b>	<b>47,114</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	38,360	-
Public safety	29,896	-	145,311	-
Community development	-	-	-	3,000
Community services	-	-	-	-
Public works	456,950	210,067	36,306	-
Capital outlay	-	75,339	793,579	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>486,846</b>	<b>285,406</b>	<b>1,013,556</b>	<b>3,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>28,958</b>	<b>53,904</b>	<b>508,869</b>	<b>44,114</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	25,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>28,958</b>	<b>53,904</b>	<b>533,869</b>	<b>44,114</b>
Fund balances (deficit)-beginning	59,164	173,060	(829,195)	1,816,921
<b>Fund balances (deficit)-ending</b>	<b>\$ 88,122</b>	<b>\$ 226,964</b>	<b>\$ (295,326)</b>	<b>\$ 1,861,035</b>

CITY OF AGOURA HILLS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

(Continued)

Special Revenue Funds

	Utility Undergrounding	Road Rehab Fund	Measure M Fund	Measure W Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	451,661	378,292	343,304
Charges for services	-	-	-	-
Use of money and property	1,392	1,178	3,772	6,676
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
<b>Total revenues</b>	<b>1,392</b>	<b>452,839</b>	<b>382,064</b>	<b>349,980</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	-	-	331,001	102,000
Capital outlay	-	439,942	80,000	75,211
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>439,942</b>	<b>411,001</b>	<b>177,211</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,392</b>	<b>12,897</b>	<b>(28,937)</b>	<b>172,769</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,392</b>	<b>12,897</b>	<b>(28,937)</b>	<b>172,769</b>
Fund balances (deficit)-beginning	53,673	91,236	103,265	113,313
<b>Fund balances (deficit)-ending</b>	<b>\$ 55,065</b>	<b>\$ 104,133</b>	<b>\$ 74,328</b>	<b>\$ 286,082</b>

**CITY OF AGOURA HILLS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2023**

	Capital Projects Funds			Debt Service Funds
	Recreation Center	Storm Water Capital Projects	Capital Projects Fund	Financing Authority Debt Service
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	436,973	211,500	-
Charges for services	-	-	-	-
Use of money and property	-	21,891	18,138	31
Fines and forfeitures	-	-	-	-
Contributions	28,783	-	-	-
<b>Total revenues</b>	<b>28,783</b>	<b>458,864</b>	<b>229,638</b>	<b>31</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	55,091	214,611	-	-
Capital outlay	-	12,355	81,918	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>55,091</b>	<b>226,966</b>	<b>81,918</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(26,308)</b>	<b>231,898</b>	<b>147,720</b>	<b>31</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	89,500	60,000	141,000	-
<b>Total other financing sources (uses)</b>	<b>89,500</b>	<b>60,000</b>	<b>141,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>63,192</b>	<b>291,898</b>	<b>288,720</b>	<b>31</b>
Fund balances (deficit)-beginning	(30,000)	799,264	568,626	1,095
<b>Fund balances (deficit)-ending</b>	<b>\$ 33,192</b>	<b>\$ 1,091,162</b>	<b>\$ 857,346</b>	<b>\$ 1,126</b>

**CITY OF AGOURA HILLS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2023**

	<b>Debt Service Funds</b>	
	<b>Agoura Hills Improvement Authority</b>	<b>Total Nonmajor Funds</b>
<b>REVENUES</b>		
Taxes	\$ -	\$ 36,461
Intergovernmental	-	5,625,064
Charges for services	-	73,669
Use of money and property	1,987	183,733
Fines and forfeitures	-	59,935
Contributions	-	31,877
<b>Total revenues</b>	<b>1,987</b>	<b>6,010,739</b>
<b>EXPENDITURES</b>		
Current:		
General government	8,750	164,631
Public safety	-	363,207
Community development	-	104,651
Community services	-	92,428
Public works	-	2,066,401
Capital outlay	-	2,438,478
Debt service:		
Principal	380,000	380,000
Interest and fiscal charges	528,325	528,325
<b>Total expenditures</b>	<b>917,075</b>	<b>6,138,121</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(915,088)</b>	<b>(127,382)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	913,274	1,228,774
<b>Total other financing sources (uses)</b>	<b>913,274</b>	<b>1,228,774</b>
<b>Net change in fund balances</b>	<b>(1,814)</b>	<b>1,101,392</b>
Fund balances (deficit)-beginning	293,851	7,238,345
<b>Fund balances (deficit)-ending</b>	<b>\$ 292,037</b>	<b>\$ 8,339,737</b>

CITY OF AGOURA HILLS  
 Other Grants  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,472,464	\$ 2,766,367	\$ 1,522,281	\$ (1,244,086)
Use of money and property	-	-	144	144
<b>Total revenues</b>	<b>2,472,464</b>	<b>2,766,367</b>	<b>1,522,425</b>	<b>(1,243,942)</b>
<b>EXPENDITURES</b>				
Current:				
General government	39,500	1,041,647	38,360	1,003,287
Public safety	-	110,600	145,311	(34,711)
Public works	96,848	142,298	36,306	105,992
Capital outlay	2,336,116	1,320,000	793,579	526,421
<b>Total expenditures</b>	<b>2,472,464</b>	<b>2,614,545</b>	<b>1,013,556</b>	<b>1,600,989</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>151,822</b>	<b>508,869</b>	<b>(2,844,931)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	25,000	25,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>25,000</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 151,822</b>	<b>533,869</b>	<b>\$ (2,819,931)</b>
Fund balance-beginning			(829,195)	
<b>Fund balance-ending</b>			<b>\$ (295,326)</b>	

CITY OF AGOURA HILLS  
Traffic Improvement  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 4,000	\$ 6,000	\$ 6,226	\$ 226
Contributions	-	4,000	3,094	(906)
<b>Total revenues</b>	<b>4,000</b>	<b>10,000</b>	<b>9,320</b>	<b>(680)</b>
<b>EXPENDITURES</b>				
Capital outlay	600,000	650,000	594,406	55,594
<b>Total expenditures</b>	<b>600,000</b>	<b>650,000</b>	<b>594,406</b>	<b>55,594</b>
<b>Net change in fund balance</b>	<b>\$ (596,000)</b>	<b>\$ (640,000)</b>	<b>(585,086)</b>	<b>\$ 54,914</b>
Fund balance-beginning			1,617,433	
<b>Fund balance-ending</b>			<b>\$ 1,032,347</b>	

CITY OF AGOURA HILLS  
 Traffic Safety  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 200	\$ 350	\$ 560	\$ 210
Fines and forfeitures	40,000	40,000	59,935	19,935
<b>Total revenues</b>	<b>40,200</b>	<b>40,350</b>	<b>60,495</b>	<b>20,145</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	40,000	40,000	39,980	20
<b>Total expenditures</b>	<b>40,000</b>	<b>40,000</b>	<b>39,980</b>	<b>20</b>
<b>Net change in fund balance</b>	<b>\$ 200</b>	<b>\$ 350</b>	<b>20,515</b>	<b>\$ 20,165</b>
Fund balance-beginning			28,899	
<b>Fund balance-ending</b>			<b>\$ 49,414</b>	



CITY OF AGOURA HILLS  
 Transit Tax (Prop A)  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 622,535	\$ 614,535	\$ 653,395	\$ 38,860
Use of money and property	12,000	15,000	35,136	20,136
<b>Total revenues</b>	<b>634,535</b>	<b>629,535</b>	<b>688,531</b>	<b>58,996</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	12,928	(12,928)
Parks and recreation	130,197	101,722	84,095	17,627
Public works	604,650	343,650	344,724	(1,074)
<b>Total expenditures</b>	<b>734,847</b>	<b>445,372</b>	<b>441,747</b>	<b>3,625</b>
<b>Net change in fund balance</b>	<b>\$ (100,312)</b>	<b>\$ 184,163</b>	<b>246,784</b>	<b>\$ 62,621</b>
Fund balance-beginning			1,173,231	
<b>Fund balance-ending</b>			<b>\$ 1,420,015</b>	

CITY OF AGOURA HILLS  
Public Transit (Prop C)  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 413,978	\$ 539,478	\$ 571,441	\$ 31,963
Use of money and property	500	8,000	18,923	10,923
<b>Total revenues</b>	<b>414,478</b>	<b>547,478</b>	<b>590,364</b>	<b>42,886</b>
<b>EXPENDITURES</b>				
Current:				
Public works	185,992	418,626	315,651	102,975
Capital outlay	-	427,000	245,328	181,672
<b>Total expenditures</b>	<b>185,992</b>	<b>845,626</b>	<b>560,979</b>	<b>284,647</b>
<b>Net change in fund balance</b>	<b>\$ 228,486</b>	<b>\$ (298,148)</b>	<b>29,385</b>	<b>\$ 327,533</b>
Fund balance-beginning			686,284	
<b>Fund balance-ending</b>			<b>\$ 715,669</b>	

CITY OF AGOURA HILLS  
 Air Quality Management  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 26,700	\$ 26,700	\$ 31,174	\$ 4,474
Use of money and property	300	1,000	1,756	756
<b>Total revenues</b>	<u>27,000</u>	<u>27,700</u>	<u>32,930</u>	<u>5,230</u>
<b>EXPENDITURES</b>				
Current:				
General government	60,000	112,000	104,593	7,407
<b>Total expenditures</b>	<u>60,000</u>	<u>112,000</u>	<u>104,593</u>	<u>7,407</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(33,000)</u>	<u>(84,300)</u>	<u>(71,663)</u>	<u>12,637</u>
<b>Net change in fund balance</b>	<u>\$ (33,000)</u>	<u>\$ (84,300)</u>	<u>(71,663)</u>	<u>\$ 12,637</u>
Fund balance-beginning			140,595	
<b>Fund balance-ending</b>			<u>\$ 68,932</u>	

CITY OF AGOURA HILLS  
 Community Development Block Grant  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 16,400	\$ 12,280	\$ (4,120)
<b>Total revenues</b>	<b>100,000</b>	<b>16,400</b>	<b>12,280</b>	<b>(4,120)</b>
<b>EXPENDITURES</b>				
Current:				
Parks and recreation	15,000	15,000	8,333	6,667
Capital outlay	85,000	1,400	-	1,400
<b>Total expenditures</b>	<b>100,000</b>	<b>16,400</b>	<b>8,333</b>	<b>8,067</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>3,947</b>	<b>\$ 3,947</b>
Fund balance-beginning			(7,574)	
<b>Fund balance-ending</b>			<b>\$ (3,627)</b>	

CITY OF AGOURA HILLS  
 Supplemental Law Enforcement  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 166,000	\$ 165,271	\$ (729)
Use of money and property	700	2,000	4,802	2,802
<b>Total revenues</b>	<b>100,700</b>	<b>168,000</b>	<b>170,073</b>	<b>2,073</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	152,866	152,866	148,020	4,846
Capital outlay	40,000	40,000	40,400	(400)
<b>Total expenditures</b>	<b>192,866</b>	<b>192,866</b>	<b>188,420</b>	<b>4,446</b>
<b>Net change in fund balance</b>	<b>\$ (92,166)</b>	<b>\$ (24,866)</b>	<b>(18,347)</b>	<b>\$ 6,519</b>
Fund balance-beginning			148,445	
<b>Fund balance-ending</b>			<b>\$ 130,098</b>	

CITY OF AGOURA HILLS  
Solid Waste Management  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 36,000	\$ 36,000	\$ 36,461	\$ 461
Charges for services	73,000	73,000	73,669	669
Use of money and property	3,000	3,000	6,385	3,385
<b>Total revenues</b>	<b>112,000</b>	<b>112,000</b>	<b>116,515</b>	<b>4,515</b>
<b>EXPENDITURES</b>				
Current:				
Community development	118,900	93,900	101,651	(7,751)
<b>Total expenditures</b>	<b>118,900</b>	<b>93,900</b>	<b>101,651</b>	<b>(7,751)</b>
<b>Net change in fund balance</b>	<b>\$ (6,900)</b>	<b>\$ 18,100</b>	<b>14,864</b>	<b>\$ (3,236)</b>
Fund balance-beginning			236,759	
<b>Fund balance-ending</b>			<b>\$ 251,623</b>	

CITY OF AGOURA HILLS  
State Gas Tax  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 597,034	\$ 521,051	\$ 513,080	\$ (7,971)
Use of money and property	1,000	1,500	2,724	1,224
<b>Total revenues</b>	<b>598,034</b>	<b>522,551</b>	<b>515,804</b>	<b>(6,747)</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	80,000	30,000	29,896	104
Public works	574,800	497,300	456,950	40,350
<b>Total expenditures</b>	<b>654,800</b>	<b>527,300</b>	<b>486,846</b>	<b>40,454</b>
<b>Net change in fund balance</b>	<b>\$ (56,766)</b>	<b>\$ (4,749)</b>	<b>28,958</b>	<b>\$ 33,707</b>
Fund balance-beginning			59,164	
<b>Fund balance-ending</b>			<b>\$ 88,122</b>	

CITY OF AGOURA HILLS  
 Measure R  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 310,483	\$ 310,483	\$ 334,412	\$ 23,929
Use of money and property	2,500	2,500	4,898	2,398
<b>Total revenues</b>	<b>312,983</b>	<b>312,983</b>	<b>339,310</b>	<b>26,327</b>
<b>EXPENDITURES</b>				
Current:				
Public works	172,547	215,485	210,067	5,418
Capital outlay	170,000	90,000	75,339	14,661
<b>Total expenditures</b>	<b>342,547</b>	<b>305,485</b>	<b>285,406</b>	<b>20,079</b>
<b>Net change in fund balance</b>	<b>\$ (29,564)</b>	<b>\$ 7,498</b>	<b>53,904</b>	<b>\$ 46,406</b>
Fund balance-beginning			173,060	
<b>Fund balance-ending</b>			<b>\$ 226,964</b>	



CITY OF AGOURA HILLS  
 Inclusionary Housing  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 20,000	\$ 20,000	\$ 47,114	\$ 27,114
<b>Total revenues</b>	<u>20,000</u>	<u>20,000</u>	<u>47,114</u>	<u>27,114</u>
<b>EXPENDITURES</b>				
Current:				
Community development	30,000	30,000	3,000	27,000
<b>Total expenditures</b>	<u>30,000</u>	<u>30,000</u>	<u>3,000</u>	<u>27,000</u>
<b>Net change in fund balance</b>	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>44,114</u>	<u>\$ 54,114</u>
Fund balance-beginning			<u>1,816,921</u>	
<b>Fund balance-ending</b>			<u>\$ 1,861,035</u>	

CITY OF AGOURA HILLS  
 Utility Undergrounding  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 500	\$ 750	\$ 1,392	\$ 642
<b>Total revenues</b>	<b>500</b>	<b>750</b>	<b>1,392</b>	<b>642</b>
<b>Net change in fund balance</b>	<b>\$ 500</b>	<b>\$ 750</b>	<b>1,392</b>	<b>\$ 642</b>
Fund balance-beginning			53,673	
<b>Fund balance-ending</b>			<b>\$ 55,065</b>	

CITY OF AGOURA HILLS  
 Road Rehab Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 466,310	\$ 438,927	\$ 451,661	\$ 12,734
Use of money and property	500	1,200	1,178	(22)
<b>Total revenues</b>	<b>466,810</b>	<b>440,127</b>	<b>452,839</b>	<b>12,712</b>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	450,000	450,000	439,942	10,058
<b>Total expenditures</b>	<b>450,000</b>	<b>450,000</b>	<b>439,942</b>	<b>10,058</b>
<b>Net change in fund balance</b>	<b>\$ 16,810</b>	<b>\$ (9,873)</b>	<b>12,897</b>	<b>\$ 22,770</b>
Fund balance-beginning			91,236	
<b>Fund balance-ending</b>			<b>\$ 104,133</b>	

CITY OF AGOURA HILLS  
Measure M Fund  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 351,881	\$ 351,881	\$ 378,292	\$ 26,411
Use of money and property	500	1,500	3,772	2,272
<b>Total revenues</b>	<b>352,381</b>	<b>353,381</b>	<b>382,064</b>	<b>28,683</b>
<b>EXPENDITURES</b>				
Current:				
Public works	262,754	326,741	331,001	(4,260)
Capital outlay	80,000	80,000	80,000	-
<b>Total expenditures</b>	<b>342,754</b>	<b>406,741</b>	<b>411,001</b>	<b>(4,260)</b>
<b>Net change in fund balance</b>	<b>\$ 9,627</b>	<b>\$ (53,360)</b>	<b>(28,937)</b>	<b>\$ 24,423</b>
Fund balance-beginning			103,265	
<b>Fund balance-ending</b>			<b>\$ 74,328</b>	

CITY OF AGOURA HILLS  
 Measure W Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 340,000	\$ 344,000	\$ 343,304	\$ (696)
Use of money and property	-	1,800	6,676	4,876
<b>Total revenues</b>	<b>340,000</b>	<b>345,800</b>	<b>349,980</b>	<b>4,180</b>
<b>EXPENDITURES</b>				
Current:				
Public works	102,000	102,000	102,000	-
Capital outlay	226,000	226,000	75,211	150,789
<b>Total expenditures</b>	<b>328,000</b>	<b>328,000</b>	<b>177,211</b>	<b>150,789</b>
<b>Net change in fund balance</b>	<b>\$ 12,000</b>	<b>\$ 17,800</b>	<b>172,769</b>	<b>\$ 154,969</b>
Fund balance-beginning			113,313	
<b>Fund balance-ending</b>			<b>\$ 286,082</b>	

CITY OF AGOURA HILLS  
 Measure R Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 550,000	\$ 900,000	\$ 864,285	\$ (35,715)
Use of money and property	-	-	857	857
<b>Total revenues</b>	<b>550,000</b>	<b>900,000</b>	<b>865,142</b>	<b>(34,858)</b>
<b>EXPENDITURES</b>				
Current:				
General government	53,480	9,932	14,510	(4,578)
Public works	62,922	6,390	28,082	(21,692)
Capital outlay	235,000	50,000	58,606	(8,606)
<b>Total expenditures</b>	<b>351,402</b>	<b>66,322</b>	<b>101,198</b>	<b>(34,876)</b>
<b>Net change in fund balance</b>	<b>\$ 198,598</b>	<b>\$ 833,678</b>	<b>763,944</b>	<b>\$ (69,734)</b>
Fund balance-beginning			(3,064,224)	
<b>Fund balance-ending</b>			<b>\$ (2,300,280)</b>	

CITY OF AGOURA HILLS  
Measure M Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 600,000	\$ 30,000	\$ 95,629	\$ 65,629
<b>Total revenues</b>	<b>600,000</b>	<b>30,000</b>	<b>95,629</b>	<b>65,629</b>
<b>EXPENDITURES</b>				
Current:				
General government	49,218	24,085	14,040	10,045
Public works	91,046	46,438	27,667	18,771
Capital outlay	925,000	340,000	233,608	106,392
<b>Total expenditures</b>	<b>1,065,264</b>	<b>410,523</b>	<b>275,315</b>	<b>135,208</b>
<b>Net change in fund balance</b>	<b>\$ (465,264)</b>	<b>\$ (380,523)</b>	<b>(179,686)</b>	<b>\$ 200,837</b>
Fund balance-beginning			(488,371)	
<b>Fund balance-ending</b>			<b>\$ (668,057)</b>	

CITY OF AGOURA HILLS  
 Recreation Center  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Contributions	\$ -	\$ 65,000	\$ 28,783	\$ (36,217)
<b>Total revenues</b>	<u>-</u>	<u>65,000</u>	<u>28,783</u>	<u>(36,217)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	-	35,000	55,091	(20,091)
<b>Total expenditures</b>	<u>-</u>	<u>35,000</u>	<u>55,091</u>	<u>(20,091)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>30,000</u>	<u>(26,308)</u>	<u>(56,308)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	89,500	89,500
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>89,500</u>	<u>89,500</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>63,192</u>	<u>\$ 33,192</u>
Fund balance-beginning			(30,000)	
<b>Fund balance-ending</b>			<u>\$ 33,192</u>	



CITY OF AGOURA HILLS  
Storm Water Capital Projects  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 215,000	\$ 436,973	\$ 221,973
Use of money and property	10,000	10,000	21,891	11,891
<b>Total revenues</b>	<b>10,000</b>	<b>225,000</b>	<b>458,864</b>	<b>233,864</b>
<b>EXPENDITURES</b>				
Current:				
Public works	-	110,000	214,611	(104,611)
Capital outlay	500,000	12,000	12,355	(355)
<b>Total expenditures</b>	<b>500,000</b>	<b>122,000</b>	<b>226,966</b>	<b>(104,966)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(490,000)</b>	<b>103,000</b>	<b>231,898</b>	<b>128,898</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	60,000	60,000
Total other financing sources (uses)	-	-	60,000	60,000
<b>Net change in fund balance</b>	<b>\$ (490,000)</b>	<b>\$ 103,000</b>	<b>291,898</b>	<b>\$ 188,898</b>
Fund balance-beginning			799,264	
<b>Fund balance-ending</b>			<b>\$ 1,091,162</b>	

CITY OF AGOURA HILLS  
 Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 211,500	\$ 211,500	\$ -
Use of money and property	-	7,000	18,138	11,138
<b>Total revenues</b>	<b>-</b>	<b>218,500</b>	<b>229,638</b>	<b>11,138</b>
<b>EXPENDITURES</b>				
Capital outlay	517,500	135,000	81,918	53,082
<b>Total expenditures</b>	<b>517,500</b>	<b>135,000</b>	<b>81,918</b>	<b>53,082</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(517,500)</b>	<b>83,500</b>	<b>147,720</b>	<b>64,220</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	100,000	141,000	41,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>100,000</b>	<b>141,000</b>	<b>41,000</b>
<b>Net change in fund balance</b>	<b>\$ (517,500)</b>	<b>\$ 183,500</b>	<b>288,720</b>	<b>\$ 105,220</b>
Fund balance-beginning			568,626	
<b>Fund balance-ending</b>			<b>\$ 857,346</b>	

CITY OF AGOURA HILLS  
 Financing Authority Debt Service  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 11	\$ 31	\$ 20
<b>Total revenues</b>	<u>-</u>	<u>11</u>	<u>31</u>	<u>20</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>11</u>	<u>31</u>	<u>20</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 11</u>	<u>31</u>	<u>\$ 20</u>
Fund balance-beginning			<u>1,095</u>	
<b>Fund balance-ending</b>			<u>\$ 1,126</u>	

CITY OF AGOURA HILLS  
 Agoura Hills Improvement Authority  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 1,500	\$ 1,500	\$ 1,987	\$ 487
<b>Total revenues</b>	<b>1,500</b>	<b>1,500</b>	<b>1,987</b>	<b>487</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	8,750	8,750	-
Debt service:				
Principal	380,000	380,000	380,000	-
Interest	525,475	525,475	528,325	(2,850)
<b>Total expenditures</b>	<b>905,475</b>	<b>914,225</b>	<b>917,075</b>	<b>(2,850)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(903,975)</b>	<b>(912,725)</b>	<b>(915,088)</b>	<b>(2,363)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	908,025	913,274	913,274	-
<b>Total other financing sources (uses)</b>	<b>908,025</b>	<b>913,274</b>	<b>913,274</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 4,050</b>	<b>\$ 549</b>	<b>(1,814)</b>	<b>\$ (2,363)</b>
Fund balance-beginning			293,851	
<b>Fund balance-ending</b>			<b>\$ 292,037</b>	

**STATISTICAL SECTION**

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## DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2023

This part of the City of Agoura Hill's Annual Comprehensive 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.

Contents:	Schedules
<u>Financial Trends</u> – These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1-5
<u>Revenue Capacity</u> – These schedules contain information to help the reader assess the government's most significant current local revenue source, the property tax.	6-12
<u>Debt Capacity</u> – These schedules 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.	13-16
<u>Demographic and Economic Information</u> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	17-18
<u>Operating Information</u> – 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.	19-21

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**CITY OF AGOURA HILLS**  
**Net Assets by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

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	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net Investment in capital assets	\$ 71,090,637	\$ 88,327,674	\$ 102,402,711	\$ 107,036,227
Restricted	4,054,814	1,569,275	1,641,181	1,723,643
Unrestricted	37,983,934	28,035,386	36,440,786	37,138,624
Total primary government net assets-restated	<u>\$ 113,129,385</u>	<u>\$ 117,932,335</u>	<u>\$ 140,484,678</u>	<u>\$ 145,898,494</u>

Source: City of Agoura Hills financial data



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Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 109,062,997	\$ 115,659,310	\$ 119,055,509	\$ 122,562,958	\$ 126,408,354	\$ 135,086,093
1,649,754	2,729,353	3,391,714	4,386,297	3,779,864	4,300,438
36,535,795	34,370,710	35,505,187	36,269,912	43,637,719	43,761,650
<u>\$ 147,248,546</u>	<u>\$ 152,759,373</u>	<u>\$ 157,952,410</u>	<u>\$ 163,219,167</u>	<u>\$ 173,825,937</u>	<u>\$ 183,148,181</u>

**CITY OF AGOURA HILLS**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities				
General government	\$ 4,395,273	\$ 3,636,202	\$ 4,270,495	\$ 4,668,415
Public safety	4,364,195	4,014,645	4,194,614	4,461,825
Public works	3,114,273	3,885,466	4,053,734	4,463,701
Community development	985,074	1,625,957	1,398,948	1,618,074
Community services	2,184,204	2,214,787	2,470,941	2,823,604
Interest on long-term debt (unallocated)	761,822	631,316	625,051	866,327
Total primary government expenses	<u>\$ 15,804,841</u>	<u>\$ 16,008,373</u>	<u>\$ 17,013,783</u>	<u>\$ 18,901,946</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for Services				
General government	\$ 139,006	\$ 478,314	\$ 156,807	\$ 163,988
Public safety	565,016	694,531	618,883	875,646
Public works	240,192	280,493	224,895	226,653
Community development	160,965	378,825	336,236	333,529
Community services	267,356	56,408	337,557	445,655
Operating grants and contributions	9,016,536	1,004,621	1,420,156	968,373
Capital grants and contributions	2,578,791	9,379,954	13,955,391	7,509,737
Total primary government program revenues	<u>\$ 12,967,862</u>	<u>\$ 12,273,146</u>	<u>\$ 17,049,925</u>	<u>\$ 10,523,581</u>
<b>Net (Expense)/Revenue</b>				
Total primary government net expense	<u>\$ (2,836,979)</u>	<u>\$ (3,735,227)</u>	<u>\$ 36,142</u>	<u>\$ (8,378,365)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes	\$ 10,483,355	\$ 11,274,539	\$ 12,062,480	\$ 12,598,500
Investment earnings	119,576	154,096	15,564	203,689
Other revenues	187,793	427,017	298,521	198,680
Special Item				9,479,215
Total primary government	<u>\$ 10,790,724</u>	<u>\$ 11,855,652</u>	<u>\$ 12,376,565</u>	<u>\$ 22,480,084</u>
<b>Change in Net Position</b>				
Total primary government	<u>\$ 7,953,745</u>	<u>\$ 8,120,425</u>	<u>\$ 12,412,707</u>	<u>\$ 14,101,719</u>

Source: City of Agoura Hills financial data

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 4,840,745	\$ 5,562,060	\$ 5,075,690	\$ 4,883,137	\$ 5,398,396	\$ 6,592,414
4,671,492	5,052,473	5,395,088	4,972,577	5,030,764	5,480,381
4,460,115	5,223,521	4,567,546	5,403,352	4,835,192	5,134,207
1,718,379	1,912,179	2,387,667	2,405,357	2,635,889	2,356,568
3,027,389	3,145,527	2,904,129	1,926,403	2,525,934	3,109,429
517,386	581,175	559,031	535,104	522,350	530,897
<u>\$ 19,235,506</u>	<u>\$ 21,476,935</u>	<u>\$ 20,889,151</u>	<u>\$ 20,125,930</u>	<u>\$ 20,948,525</u>	<u>\$ 23,203,896</u>
\$ 167,941	\$ 178,781	\$ 147,364	\$ 148,827	\$ 178,442	\$ 156,510
818,733	773,284	700,271	670,625	873,311	1,108,362
229,345	236,577	216,836	216,544	211,435	238,487
354,455	328,600	193,519	591,714	424,897	226,904
493,827	370,995	210,061	21,179	249,990	317,686
2,569,234	4,149,727	4,911,381	5,461,487	7,286,003	11,428,878
2,423,678	5,896,336	4,441,925	4,731,794	5,304,064	1,176,815
<u>\$ 7,057,213</u>	<u>\$ 11,934,300</u>	<u>\$ 10,821,357</u>	<u>\$ 11,842,170</u>	<u>\$ 14,528,142</u>	<u>\$ 14,653,642</u>
<u>\$ (12,178,293)</u>	<u>\$ (9,542,635)</u>	<u>\$ (10,067,794)</u>	<u>\$ (8,283,760)</u>	<u>\$ (6,420,383)</u>	<u>\$ (8,550,254)</u>
\$ 12,403,165	\$ 12,894,034	\$ 12,617,792	\$ 12,834,290	\$ 16,185,672	\$ 16,199,589
784,617	1,026,429	847,549	451,118	690,218	1,508,148
150,715	345,823	1,795,490	556,383	151,263	279,761
294,014	175,000	-	-	-	-
<u>\$ 13,632,511</u>	<u>\$ 14,441,286</u>	<u>\$ 15,260,831</u>	<u>\$ 13,841,791</u>	<u>\$ 17,027,153</u>	<u>\$ 17,987,498</u>
<u>\$ 1,454,218</u>	<u>\$ 4,898,651</u>	<u>\$ 5,193,037</u>	<u>\$ 5,558,031</u>	<u>\$ 10,606,770</u>	<u>\$ 9,437,244</u>

**CITY OF AGOURA HILLS**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

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<b>Function/Program</b>	<b>Fiscal Year</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Governmental activities				
General government	\$ 2,599,863	\$ 1,138,763	\$ 346,886	\$ 437,462
Public safety	665,016	800,761	718,883	1,004,970
Public works	8,896,687	9,863,255	14,987,990	7,171,508
Community development	538,940	413,959	658,609	1,463,986
Community services	267,356	56,408	373,557	445,655
Subtotal governmental activities	<u>12,967,862</u>	<u>12,273,146</u>	<u>17,085,925</u>	<u>10,523,581</u>
Total primary government	<u>\$ 12,967,862</u>	<u>\$ 12,273,146</u>	<u>\$ 17,085,925</u>	<u>\$ 10,523,581</u>

Source: City of Agoura Hills financial data

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 739,569	\$ 2,435,396	\$ 2,840,323	\$ 4,281,219	\$ 5,492,855	\$ 9,698,465
898,438	922,031	856,219	827,352	1,289,095	1,273,633
4,557,202	7,867,535	6,706,149	6,109,074	7,023,453	3,136,954
368,177	338,343	208,605	603,346	472,749	226,904
493,827	370,995	210,061	21,179	249,990	317,686
<u>7,057,213</u>	<u>11,934,300</u>	<u>10,821,357</u>	<u>11,842,170</u>	<u>14,528,142</u>	<u>14,653,642</u>
<u>\$ 7,057,213</u>	<u>\$ 11,934,300</u>	<u>\$ 10,821,357</u>	<u>\$ 11,842,170</u>	<u>\$ 14,528,142</u>	<u>\$ 14,653,642</u>

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Reserved	\$ -	\$ -	\$ 50,000	\$ 345,275
Nonspendable	17,383,605	17,365,764	26,368,875	26,450,720
Unassigned	8,494,117	9,083,645	9,623,733	9,815,071
Total general fund	<u>\$ 25,877,722</u>	<u>\$ 26,449,409</u>	<u>\$ 36,042,608</u>	<u>\$ 36,611,066</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	5,165,834	1,569,275	1,641,181	1,723,643
Committed	4,162,269	4,350,376	3,770,779	4,067,536
Assigned	4,618,668	411,423	557,239	559,083
Unassigned	-	(3,154,713)	(5,974,136)	(4,708,451)
Total all other governmental funds	<u>\$ 13,946,771</u>	<u>\$ 3,176,361</u>	<u>\$ (4,937)</u>	<u>\$ 1,641,811</u>

Source: City of Agoura Hills financial data

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 350,028	\$ 358,850	\$ 410,948	\$ 413,508	\$ 604,998	\$ 729,017
26,525,470	26,434,914	26,530,193	26,274,785	25,937,153	25,562,661
10,386,556	9,229,107	8,065,424	10,654,100	13,690,128	13,563,529
<u>\$ 37,262,054</u>	<u>\$ 36,022,871</u>	<u>\$ 35,006,565</u>	<u>\$ 37,342,393</u>	<u>\$ 40,232,279</u>	<u>\$ 39,855,207</u>
\$ -	\$ 5,917	\$ 5,351	\$ -	\$ -	\$ -
1,649,754	2,755,603	2,325,972	3,695,301	3,779,864	4,300,438
4,310,623	3,319,065	3,716,739	3,740,173	4,322,311	5,231,184
595,322	608,408	851,867	1,005,556	800,359	1,126
(3,498,679)	(4,551,947)	(4,292,536)	(4,742,692)	(4,419,364)	(3,267,290)
<u>\$ 3,057,020</u>	<u>\$ 2,137,046</u>	<u>\$ 2,607,393</u>	<u>\$ 3,698,338</u>	<u>\$ 4,483,170</u>	<u>\$ 6,265,458</u>

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

	Fiscal Year			
	2014	2015	2016	2017
<b>Revenues</b>				
Taxes	\$ 11,270,895	\$ 12,062,480	\$ 12,598,500	\$ 12,403,165
Licenses and permits	430,875	503,586	524,799	480,926
Intergovernmental revenues	9,755,904	7,390,407	13,346,694	8,882,237
Charges for services	1,420,436	1,188,228	1,018,776	1,464,484
Fines and forfeitures	133,653	139,746	104,803	90,403
Use of money and property	197,514	15,564	203,689	784,617
Other revenues	195,034	707,911	303,505	590,037
<b>Total Revenues</b>	<b>23,404,311</b>	<b>22,007,922</b>	<b>28,100,766</b>	<b>24,695,869</b>
<b>Expenditures</b>				
General government	8,209,942	3,951,759	3,935,083	4,094,097
Public safety	4,356,837	4,012,790	4,182,601	4,459,069
Community development	983,413	1,665,528	1,481,732	1,556,843
Community services	1,999,590	2,176,803	2,481,518	2,741,433
Public works	2,995,490	2,089,716	2,315,180	2,982,814
Capital outlay	3,783,745	18,666,025	15,906,914	7,276,935
Debt service				
Interest	763,158	631,316	625,051	1,157,560
Principal payments	200,000	210,000	290,000	10,605,000
<b>Total expenditures</b>	<b>23,292,175</b>	<b>33,403,937</b>	<b>31,218,079</b>	<b>34,873,751</b>
Excess of revenues over (under) expenditures	112,136	(11,396,015)	(3,117,313)	(10,177,882)
<b>Other Financing Sources (Uses)</b>				
Debt proceeds	3,675,000	-	-	10,055,000
Premium/(discount) on debt issuance	52,984	-	-	800,234
Transfers in	3,749,109	2,247,685	1,569,645	1,496,432
Transfers out	(3,749,109)	(2,247,685)	(1,569,645)	(1,496,432)
Proceeds from sale of capital asset				924,014
<b>Total other financing sources (uses)</b>	<b>3,727,984</b>	<b>-</b>	<b>-</b>	<b>11,779,248</b>
<b>Special Item</b>				
Net change in fund balances	<b>\$ 3,840,120</b>	<b>\$ (11,396,015)</b>	<b>\$ (3,117,313)</b>	<b>\$ 1,601,366</b>
Debt service as a percentage of noncapital expenditures	5.2%	6.1%	6.4%	74.3%

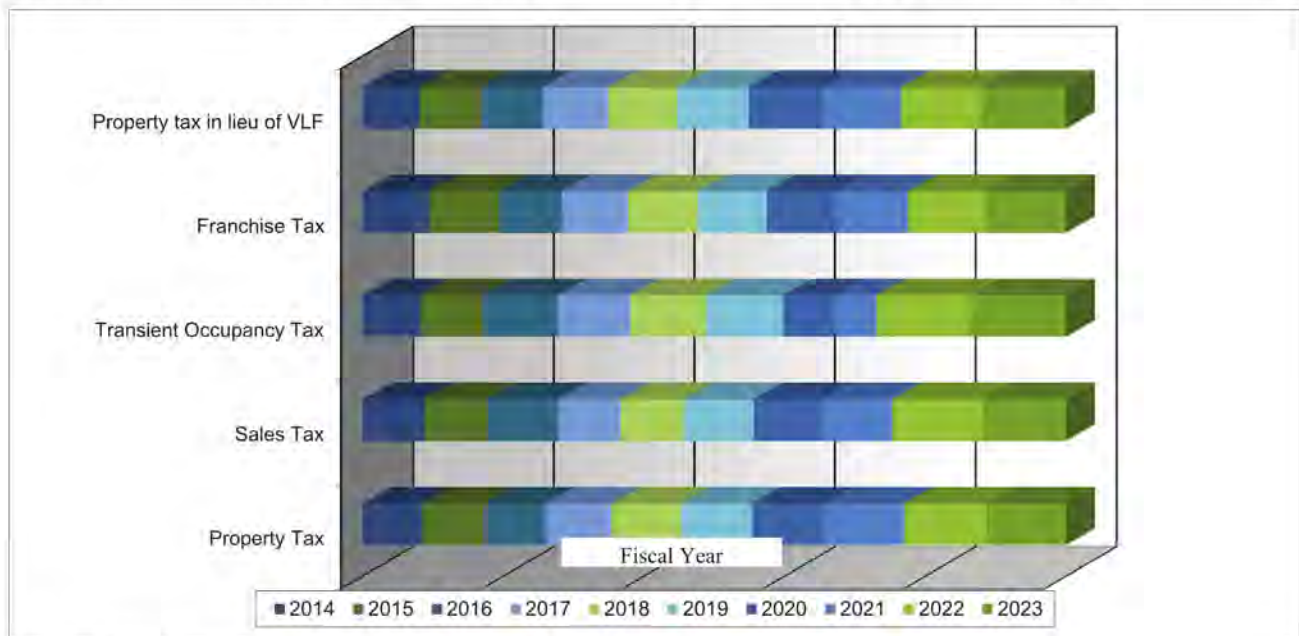
Source: City of Agoura Hills financial data



Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 12,894,034	\$ 13,467,759	\$ 12,580,449	\$ 12,834,290	\$ 16,185,672	\$ 16,199,589
661,719	589,666	567,474	525,474	661,623	790,556
6,745,712	8,460,405	7,730,671	11,747,351	7,250,621	6,584,978
1,217,282	1,266,816	814,876	788,600	1,063,365	1,139,831
88,793	98,186	93,306	86,853	122,111	105,509
1,026,429	1,264,234	925,944	451,118	690,218	1,231,576
989,254	728,155	2,224,920	563,583	2,918,891	348,427
<u>23,623,223</u>	<u>25,875,221</u>	<u>24,937,640</u>	<u>26,997,269</u>	<u>28,892,501</u>	<u>26,400,466</u>
4,162,104	5,064,913	4,545,676	4,218,006	5,123,223	6,237,964
4,665,151	5,051,499	5,325,392	5,038,926	5,060,999	5,472,473
1,646,839	1,890,097	2,285,379	2,291,008	2,741,188	2,419,112
2,857,247	2,990,865	2,658,751	1,723,171	2,505,046	3,139,632
2,709,199	3,563,487	2,908,320	3,754,397	3,295,630	3,540,676
4,302,347	8,589,367	6,955,091	5,504,949	5,579,322	3,162,068
599,458	595,400	583,715	560,064	547,375	528,325
310,000	315,000	330,000	345,000	365,000	380,000
<u>21,252,345</u>	<u>28,060,628</u>	<u>25,592,324</u>	<u>23,435,521</u>	<u>25,217,783</u>	<u>24,880,250</u>
<u>2,370,878</u>	<u>(2,185,407)</u>	<u>(654,684)</u>	<u>3,561,748</u>	<u>3,674,718</u>	<u>1,520,216</u>
-	-	-	-	-	-
1,096,808	1,343,659	1,467,260	1,039,825	1,936,005	1,363,005
(1,096,808)	(1,343,659)	(1,467,260)	(1,039,825)	(1,936,005)	(1,363,005)
175,000	-	-	-	-	-
175,000	-	-	-	-	-
184,159					
<u>\$ 2,730,037</u>	<u>\$ (2,185,407)</u>	<u>\$ (654,684)</u>	<u>\$ 3,561,748</u>	<u>\$ 3,674,718</u>	<u>\$ 1,520,216</u>
5.7%	4.9%	5.2%	5.3%	4.9%	4.4%

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

Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Franchise Tax	Property tax in lieu of VLF	Total
2014	2,678,400	3,859,515	2,134,688	762,214	1,839,717	11,274,534
2015	2,742,000	3,790,000	2,244,728	800,139	1,938,084	11,514,951
2016	2,819,000	4,471,077	2,764,208	718,696	2,033,448	12,806,429
2017	2,958,298	3,805,109	2,670,834	767,787	2,119,014	12,321,042
2018	3,128,689	3,924,897	2,788,088	799,866	2,216,903	12,858,442
2019	3,203,261	4,330,498	2,807,317	790,763	2,300,159	13,431,997
2020	3,238,290	4,176,609	1,948,347	807,678	2,410,884	12,581,810
2021	3,611,075	4,382,974	1,494,022	820,378	2,498,706	12,807,155
2022	\$ 3,698,852	\$ 5,555,147	\$ 3,426,496	\$ 880,542	\$ 2,588,444	\$ 16,149,481
2023	\$ 3,585,424	\$ 5,167,372	\$ 3,512,964	\$ 928,113	\$ 2,739,417	\$ 15,933,290
Change 2014-2023	33.86%	33.89%	64.57%	21.77%	48.90%	41.32%



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**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal years**  
*(in thousands of dollars)*

<b>Fiscal Year</b>	<b>Land</b>	<b>Improvements</b>	<b>Personal Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Tax Rate</b>
2014	2,175,810	2,185,634	2,173	17,301	4,346,316	0.00%
2015	2,293,585	2,286,622	2,253	17,581	4,564,879	0.00%
2016	2,419,636	2,352,608	2,124	19,540	4,754,828	0.00%
2017	2,543,117	2,439,867	1,935	10,511	4,974,408	0.00%
2018	2,667,460	2,503,374	2,071	20,924	5,151,981	0.00%
2019	2,796,824	2,592,303	2,024	12,042	5,379,109	0.00%
2020	2,926,597	2,679,957	3,118	22,800	5,586,872	0.00%
2021	3,036,487	2,753,262	2,588	18,053	5,774,284	0.00%
2022	3,243,890	2,884,254	2,665	7,365	6,123,444	0.00%
2023	3,445,427	2,993,001	4,376	9,760	6,433,045	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 provide breakout of residential, commercial and industrial assessed values to the cities.

Source: County of Los Angeles, Auditor - Controller

**CITY OF AGOURA HILLS**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

Fiscal Year	Overlapping Rates					Tax Rates
	Basic County (1)	Los Angeles County	School Districts	Water Districts	Flood Control District	
2014	1.0000	0.0000	0.1135	0.0035	0.0000	1.1170
2015	1.0000	0.0000	0.1090	0.0035	0.0000	1.1125
2016	1.0000	0.0000	0.1050	0.0035	0.0000	1.1085
2017	1.0000	0.0000	0.1079	0.0035	0.0000	1.1114
2018	1.0000	0.0000	0.1198	0.0035	0.0000	1.1233
2019	1.0000	0.0000	0.1211	0.0035	0.0000	1.1246
2020	1.0000	0.0000	0.1028	0.0035	0.0000	1.1063
2021	1.0000	0.0000	0.1098	0.0035	0.0000	1.1133
2022	1.0000	0.0000	0.1107	0.0035	0.0000	1.1142
2023	1.0000	0.0000	0.0885	0.0035	0.0000	1.0920

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. The City of Agoura Hills receives 5.85% of the 1% property tax rate.

Source: California Municipal Statistics, Inc.

**CITY OF AGOURA HILLS**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Taxpayer	FY 2021-22			FY 2013-14		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Taxable Assessed Value
Tishman Speyer Archstone Smith	\$135,976,487	1	2.22%	\$ 159,141,289	1	4.06%
Lexington Agoura Hills LLC	60,225,244	2	0.98%			
Kids from the Valley V LLC	56,749,057	3	0.93%			
Agoura Hills HHG Hotel Development Lp	55,476,472	4	0.91%			
Khanna Enterprises LP	47,949,143	5	0.78%			0.00%
FW CA Twin Oaks Shopping Center	34,788,199	6	0.57%	\$ 29,979,466	2	
ARHC MAGHCA01 LLC	34,179,773	7	0.56%			0.00%
Whizin Market Square LLC	33,232,661	8	0.54%	\$ 27,306,230	3	
Creekside Shops LLC	31,900,000	9	0.52%			
Hankey Investment Company LP	30,571,903	10	0.50%			
Best Agoura Design Center LLC						0.00%
Apple Seven Hospitality				\$ 22,050,354	4	0.56%
Teradyne Inc.				\$ 19,787,182	5	0.50%
ARI Agoura BP III LP						0.00%
Agoura Hills Business Park LLC						0.00%
Agoura Business Center East LLC				\$ 19,316,463	6	0.49%
ZDI Agoura LLC						0.00%
<b>Total</b>	<b>\$6,123,445,642</b>		<b>8.51%</b>	<b>\$ 3,922,239,025</b>		<b>5.62%</b>

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  
Secured Property Tax Levies and Collections  
Last Ten Fiscal Years**

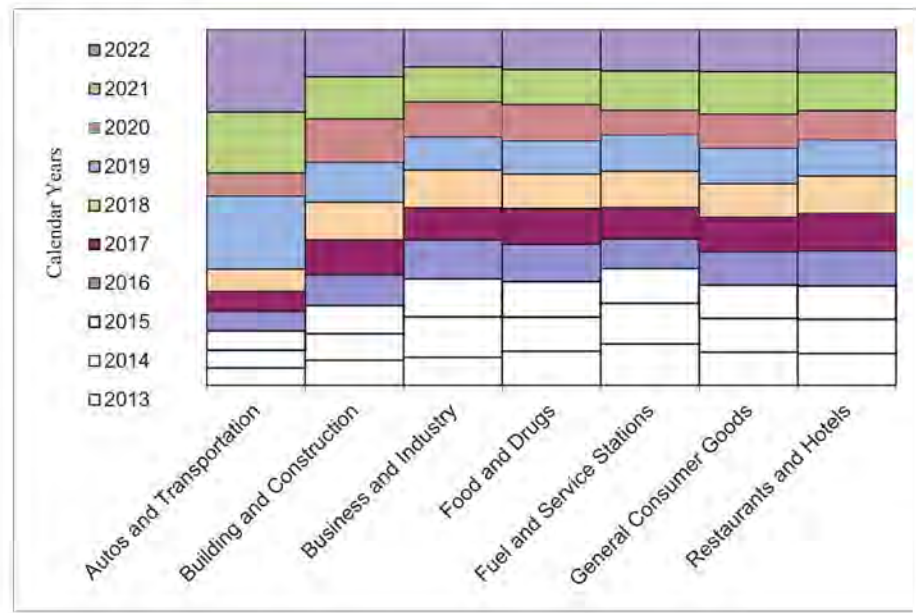
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Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections 2013 in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	of Levy
2014	2,298,395	2,196,070	95.55%	35,028	2,231,098	97.07%
2015	2,413,441	2,315,154	95.93%	32,839	2,347,993	97.29%
2016	2,506,669	2,422,101	96.63%	18,062	2,440,163	97.35%
2017	2,607,191	2,511,264	96.32%	43,571	2,554,835	97.99%
2018	2,704,330	2,639,148	97.59%	8,999	2,648,147	97.92%
2019	2,801,070	2,742,935	97.92%	31,898	2,774,833	99.06%
2020	2,894,345	2,776,534	95.93%	64,502	2,841,036	98.16%
2021	3,005,130	2,936,586	97.72%	64,173	3,000,759	99.85%
2022	3,088,114	2,997,965	97.08%	8645	3,006,609	97.36%
2023	3,242,954	3,155,017	97.29%	0	3,155,017	97.29%

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

**CITY OF AGOURA HILLS**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**  
*(in thousands of dollars)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Autos and Transportation	\$ 104	\$ 105	\$ 116	\$ 114	\$ 120	\$ 133	\$ 436	\$ 135	\$ 364	\$ 493
Building and Construction	149	158	169	183	208	225	239	257	252	284
Business and Industry	470	680	640	653	541	633	562	584	586	635
Food and Drugs	270	269	282	292	285	271	265	285	277	319
Fuel and Service Stations	879	866	741	625	670	774	772	520	842	884
General Consumer Goods*	804	815	811	806	836	810	869	811	1,034	1,029
Restaurants and Hotels	647	693	683	708	767	756	733	593	783	875
<b>Total</b>	<b>\$ 3,323</b>	<b>\$ 3,586</b>	<b>\$ 3,442</b>	<b>\$ 3,381</b>	<b>\$ 3,427</b>	<b>\$ 3,602</b>	<b>\$ 3,876</b>	<b>\$ 3,185</b>	<b>\$ 4,138</b>	<b>\$ 4,519</b>
City direct sales tax rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



Notes: Calendar year 2021 not available.  
 \* Includes Other Taxable

Source: HdL Companies

**CITY OF AGOURA HILLS**  
**Direct and Overlapping Sales Tax Rates**  
**Last Ten Fiscal Years**

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<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>Los Angeles County</b>	<b>State of California</b>
2014	0.00%	1.50%	7.50%
2015	0.00%	1.50%	7.50%
2016	0.00%	1.50%	7.50%
2017	0.00%	1.50%	8%
2018	0.00%	1.50%	8%
2019	0.00%	1.50%	8%
2020	0.00%	1.50%	8%
2021	0.00%	1.50%	8%
2022	0.00%	1.50%	8%
2023	0.00%	1.50%	8%

Source: California State Board of Equalization



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

<u>Governmental Activities</u>						
Fiscal Year	2008 RDA Tax Allocation Bonds (1)	2013 Lease Revenue Bonds (2)	2016 Lease Refunding Bonds (3)	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2014	5,515	3,675	-	9,190	0.98%	448
2015	-	3,724	-	3,724	0.36%	181
2016	-	3,653	-	3,653	0.35%	177
2017	-	3,576	10,592	14,168	1.33%	668
2018	-	3,499	10,325	13,824	1.22%	658
2019	-	3,417	10,052	13,469	1.19%	646
2020	-	3,336	9,763	13,099	1.05%	633
2021	-	3,249	9,465	12,714	0.98%	615
2022	-	3,157	9,151	12,308	0.88%	595
2023	-	3,060	8,828	11,888	0.83%	587

- 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) 2008 Tax Allocation Bonds issued June 5 to finance certain redevelopment projects within the Agoura Hills Redevelopment Area. (See Note 15)
  - (2) September 1, 2013, the City issued Lease Revenue Bonds to finance a portion of the recreation center project. (See Note 7)
  - (3) 2016 Lease Refunding Bonds (See Note 7)

Sources: State of California, Department of Finance  
City of Agoura Hills financial data

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

<b>Fiscal Year</b>	<b>Lease Refunding Bonds</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2014	\$ 14,405	\$ 14,405	0.35%	\$ 702.13
2015	\$ 14,195	\$ 14,195	0.33%	\$ 691.49
2016	\$ 13,905	\$ 13,905	0.30%	\$ 674.18
2017	\$ 13,355	\$ 13,355	0.28%	\$ 629.63
2018	\$ 13,045	\$ 13,045	0.26%	\$ 620.66
2019	\$ 12,730	\$ 12,730	0.25%	\$ 610.79
2020	\$ 12,400	\$ 12,400	0.23%	\$ 599.35
2021	\$ 12,055	\$ 12,055	0.22%	\$ 582.68
2022	\$ 12,308	\$ 12,308	0.21%	\$ 594.91
2023	\$ 11,888	\$ 11,888	0.19%	\$ 586.51

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 schedule for population data.

Source: City of Agoura Hills financial data.

**CITY OF AGOURA HILLS**  
**Direct and Overlapping Governmental Activities Debt**  
**For the Year Ended June 30, 2023**

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<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (a)</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Metropolitan Water District	\$ 19,215,000	0.171 %	\$ 32,858
Los Angeles Community College District	4,500,730,000	0.582	26,194,249
Las Virgenes Joint Unified School District	98,247,606	22.269	21,878,759
<b>Other debt</b>			
Los Angeles County General Fund Obligations	2,601,551,282	0.329	8,559,104
Los Angeles County Supt. of Schools Certificates of Participation	3,403,487	0.329	11,197
Las Virgenes Joint Unified School District Certificates of Participation	8,572,605	22.269	1,909,033
Subtotal, overlapping debt			<u>58,585,200</u>
<b>City direct debt</b>			
City of Agoura Hills General Fund Obligations	11,888,490	100.000	11,888,490
<b>Total direct and overlapping debt</b>			<u><u>\$ 70,473,690</u></u>

Notes: (a) Percentage of overlapping agency's assessed valuation located within the boundaries of the city. The method used 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**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
*(dollars in thousands)*

	Fiscal Year			
	2023	2022	2021	2020
Debt limit	\$ 233,771,897	\$ 220,541	\$ 213,560	\$ 205,887
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 233,771,897</u>	<u>\$ 220,541</u>	<u>\$ 213,560</u>	<u>\$ 205,887</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Assessed Valuations:	
Gross Assessed Value	<u>\$ 6,233,917</u>
Debt Limitation - 3.75% of Total Assessed Value	\$ 233,771,897
Less debt applicable to limitation	-
Legal Debt Margin	<u>\$ 233,771,897</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.

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Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 196,923	\$ 189,674	\$ 181,391	\$ 174,088	\$ 165,786	\$ 157,301
<u>\$ 196,923</u>	<u>\$ 189,674</u>	<u>\$ 181,391</u>	<u>\$ 174,088</u>	<u>\$ 165,786</u>	<u>\$ 157,301</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**CITY OF AGOURA HILLS**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

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<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (2)</b>	<b>Percentage with at least some college</b>	<b>Unemployment Rate (3)</b>
2014	20,516	933,437	45,498	42.5	96%	3.6%
2015	20,528	1,036,500	50,492	42.5	96%	6.1%
2016	20,625	1,036,241	50,242	43.2	96%	4.3%
2017	21,211	1,066,532	50,282	42.5	95%	3.7%
2018	21,018	1,128,793	53,706	45.0	95%	4.4%
2019	20,842	1,135,952	54,503	44.0	96%	4.2%
2020	20,689	1,242,519	60,057	44.5	96%	16.6%
2021	20,689	1,299,559	62,814	44.5	97%	7.8%
2022	20,689	1,402,321	67,781	44.5	97%	4.4%
2023	20,269	1,438,754	70,983	45.4	99%	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**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Company or Organization	Activity	Fiscal Year			
		2023		2015	
		Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Las Virgenes USD	Government	534	4.77%	543	4.98%
National Veterinary Associates, Inc.	Veterinary Services	347	3.10%		
Visual Concepts Entertainment	Software Development	655	5.85%		
Private National Mortgage Acceptance Company, LLC	Banking	294	2.63%		
A2 Biotherapeutics, Inc.	Research & Development	262	2.34%		
Teradyne Inc	Manufacturing	209	1.87%	220	2.02%
Motor Vehicle Software Corp/VITU	Technology	490	4.38%		
Joni and Friends	Non-Profit	200	1.79%		
Epsilon Data Management LLC	Advertising Services	121	1.08%		
Cydcor LLC	Administrative Services	138	1.23%		
Wood Ranch	Restaurant	137	1.22%	100	0.92%
Vons Companies	Grocery				
Zebra Technologies	Manufacturing			147	1.35%
Bank of America	Banking			873	8.01%
IBM Corporation	Technology			206	1.89%
Farmers Financial Solutions	Insurance			151	1.39%
	<b>Total Top Employers</b>	<b>3,387</b>	<b>30.24%</b>	<b>2,240</b>	<b>20.55%</b>
Total City Employment (1)		<u>11,200</u>		<u>10,900</u>	

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

**CITY OF AGOURA HILLS**  
**Full-time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

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Function/Program	Fiscal Year			
	2014	2015	2016	2017
General government	10.30	10.48	10.48	10.49
Community development	6.27	5.30	5.30	5.26
Community services	7.00	7.95	7.95	8.00
Public works	6.00	5.00	5.00	5.00
Building and safety	3.00	3.00	3.00	3.00
Redevelopment/Successor Agency	1.43	1.27	1.27	1.25
<b>Total full-time equivalent employees</b>	<b>34.00</b>	<b>33.00</b>	<b>33.00</b>	<b>33.00</b>

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.

Sources: City of Agoura Hills financial information



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Fiscal Year					
2018	2019	2020	2021	2022	2023
10.07	10.25	10.87	10.74	11.52	13.03
5.72	6.50	6.28	6.04	6.94	5.78
8.00	8.00	7.60	6.17	6.65	8.35
5.00	5.00	6.00	5.00	4.34	4.87
3.00	3.00	3.00	3.00	2.05	2.08
1.21	1.25	1.25	1.05	0.66	0.48
<u>33.00</u>	<u>34.00</u>	<u>35.00</u>	<u>32.00</u>	<u>32.17</u>	<u>34.58</u>

**CITY OF AGOURA HILLS**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

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<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Parks and recreation				
Number of City sponsored events	40	44	45	45
Public Works				
Street resurfacing (lane miles)	2	2	2	2
Solid Waste				
Residential Recycling Collected (pounds)*	15,261,800	14,877,780	15,123,660	15,675,500
Electronics Collected (pounds)*	13,011	10,801	10,504	6,099
Used Oil Collection (gallons)	519	462	415	335
Automobile Battery Collections (pounds)	640	1,000	700	760
Used Paint Collection (gallons)	1,165	1,013	1,120	556
Used Oil Filters (pounds) *				
Antifreeze (pounds) *				
Transportation				
Total route (miles)	121,435	77,582	93,813	93,674
Passengers (annually)	20,296	12,668	10,880	9,070

**Note:**

Residential Recycling Collected includes items such as paper/cardboard/glass/metal/plastic & greenwaste  
 Anti Freeze and Used Oil Filters did not have a city collection program prior to 2022

Source: Various city departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
42	45	18	16	17	18
2	5	5.14	0.13	3.84	2.45
15,646,400	15,770,600	14,928,460	15,537,640	13,765,820	9,529,280
7,857	4,749	5,759	6,907	6,532	2,687
235	467	234	357	2128	250
500	1,338	1,106	239	1,331	800
1,160	912	1212	839	9500	653
				65	
				275	
104,180	99,224	60,174	24,026	21,208	15,801
9,014	8,231	5,298	2,843	2,915	2,012

**CITY OF AGOURA HILLS**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

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Function/Program	Fiscal Year			
	2014	2015	2016	2017
<b>Public works</b>				
Bridges	19	19	19	19
Streets/Highway (miles)	126	126	130	130
Traffic signals	100	100	100	100
<b>Parks and recreation</b>				
Basketball courts				
Full	1	1	1	1
Half Courts	3	3	3	3
Community centers	1	1	1	1
Recreation Centers	1	1	1	1
Parks	6	6	6	6
Tennis courts	9	9	9	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

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Fiscal Year					
2018	2019	2020	2021	2022	2023
19	19	19	19	19	19
130	130	130	130	130	130
100	100	103	103	103	103
1	1	1	1	1	1
3	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
6	6	6	6	6	6
8	8	9	9	9	9

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**APPENDIX B**

**FORM OF OPINION OF BOND COUNSEL**

*Upon issuance and delivery of the Bonds, Richards, Watson & Gershon, A Professional Corporation, as Bond Counsel, proposes to render its final approving opinion in substantially the following form:*

[closing date], 2024

Agoura Hills Improvement Authority  
30001 Ladyface Court  
Agoura Hills, California 91301

**Opinion of Bond Counsel**

with reference to

\$12,325,000  
Agoura Hills Improvement Authority  
Lease Revenue Bonds  
Series 2024A

\$2,575,000  
Agoura Hills Improvement Authority  
Lease Revenue Refunding Bonds  
Series 2024B

Ladies and Gentlemen:

We have examined (i) a record of proceedings relating to the issuance of the above-captioned Series 2024A Bonds (the “2024A Bonds”) and the Series 2024B Bonds (the “2024B Bonds,” and together with the 2024A Bonds, the “Bonds”) of the Agoura Hills Improvement Authority, a joint powers authority (the “Authority”), (ii) the Indenture, dated as of November 1, 2016, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as predecessor trustee to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), as amended by the First Supplemental Indenture, dated as of March 1, 2024, by and between the Authority and the Trustee (collectively, the “Indenture”), (iii) the Lease Agreement, dated as of November 1, 2016 (the “Lease”), by and between the City of Agoura Hills (the “City”) and the Authority, (iv) the Sublease, dated as of November 1, 2016, as amended by the First Amendment to Sublease (collectively, the “Sublease”), each by and between the Authority and the City, (v) the Assignment Agreement, dated as of November 1, 2016 (the “Assignment Agreement”), by and between the Authority and the Trustee; and (vi) such other matters of law as we have deemed necessary to enable us to render the opinions expressed herein. As to questions of fact material to this opinion, we have relied upon such certificates and documents without undertaking to verify the same by independent investigation. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Indenture.

The Bonds are issued under and pursuant to the Indenture, the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the “Act”), including the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act. The 2024A Bonds are issued for the purpose of assisting the City in financing the costs of construction of the City’s outdoor lineal recreation area, known as the Ladfyace Greenway project. The 2024B Bonds are issued to

effect a refunding of all of the Authority's remaining outstanding Lease Revenue Bonds, Series 2013.

Based upon such examination, we are of the opinion under existing law that:

1. The Indenture has been duly and lawfully authorized, executed and delivered by the Authority. Assuming due authorization, execution and delivery by the Trustee, the Indenture is in full force and effect in accordance with its terms and is valid and binding upon the Authority and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Revenues and certain funds established by the Indenture (including the investments, if any, thereof), subject to the provisions of the Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth in the Indenture.

2. The Authority is duly authorized and entitled to issue the Bonds. The Bonds have been duly and validly authorized and issued by the Authority in accordance with the Constitution and statutes of the State of California, including the Act, and in accordance with the Indenture. The Bonds constitute the valid and binding obligations of the Authority as provided in the Indenture, are enforceable in accordance with their terms and the terms of the Indenture and entitled to the benefits of the Act and the Indenture. The Bonds are not an obligation of the State of California, any public agency thereof (other than the Authority), or any member of the Authority and neither the faith and credit nor the taxing power of the State of California or any public agency thereof or any member of the Authority is pledged for the payment of the Bonds. The Authority has no taxing power.

3. The Authority and the City have duly authorized, executed and delivered the Lease, the Sublease, and the Assignment Agreement, as applicable. The Lease and the Sublease constitute the valid and binding agreements of the Authority and the City enforceable according to their respective terms. The obligation of the City to make Base Rental Payments during the term of the Sublease constitutes a valid and binding obligation of the City, payable from funds of the City lawfully available therefor, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State of California is obligated to levy or pledge any form of taxation or for which the City or the State of California has levied or pledged any form of taxation.

4. Interest on the Bonds is exempt from personal income taxes of the State of California.

5. Assuming compliance with the covenants described below, interest on the Bonds is excluded from gross income for federal income tax purposes. The Bonds are not "specified private activity bonds" within the meaning of Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code") and, therefore, interest on the Bonds will not be treated as an item of tax preference for purposes of the federal individual alternative minimum tax, although we observe that, for tax years beginning after December 31, 2022, such interest included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax.

The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issue of the Bonds. The



City has covenanted to satisfy, or take such actions as may be necessary to cause to be satisfied, each provision of the Code necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. We express no opinion as to any Bond, or the interest thereon, if any change occurs or action is taken or omitted upon the advice or approval of any counsel other than ourselves.

Except as stated in the foregoing paragraphs numbered 4 and 5 and the paragraph immediately following paragraph 5, we express no opinion as to any federal or state tax consequences of the ownership or disposition of the Bonds.

The opinions expressed herein are qualified to the extent that the enforceability of the Indenture, the Bonds, the Lease and the Sublease may be limited by applicable bankruptcy, insolvency, debt adjustment, receivership, fraudulent conveyance or transfer, moratorium, reorganization, arrangements or other laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State or other laws or equitable principles affecting the enforcement of creditors' rights generally. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. We do not express any opinion with respect to the quality of title to, or interests in, any of the real or personal property subject to the lien of the Lease or Sublease or with respect to the accuracy or sufficiency of the description of any real property contained therein and in the Indenture. Without limiting the foregoing, we have assumed compliance with all agreements and covenants contained in the Indenture.

The opinions expressed herein are based on an analysis of existing law and cover certain matters not directly addressed thereby. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof, and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in such documents. No opinion is expressed in this letter regarding the accuracy, completeness or fairness of the Official Statement or any other offering material relating to the Bonds.

Respectfully submitted,

Richards, Watson & Gershon,  
A Professional Corporation

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## APPENDIX C

### SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

*The following is a brief summary of certain provisions of the legal documents related to the Bonds. This summary is not intended to be definitive and is qualified in its entirety by reference to the Lease, the Sublease, the Assignment Agreement and the Indenture for the complete terms thereof. Copies of these documents are available upon request from the Trustee.*

### DEFINITIONS

*Unless the context clearly requires otherwise, all capitalized terms not defined herein or elsewhere in the Official Statement have the meanings set forth in the Indenture, and if not in the Indenture, then the Sublease.*

“2016 Bonds” means the Agoura Hills Improvement Authority Lease Revenue Refunding Bonds, Series 2016 being issued under the Indenture.

“2013 Bonds” means the Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2013, currently outstanding in the amount of \$2,930,000.

“2013 Bonds Escrow Agreement” means the Escrow Agreement, dated as of March 1, 2024, among the City, the Authority and U.S. Bank Trust Company, National Association, as 2013 Bonds trustee and escrow agent, regarding the refunding of the 2013 Bonds.

“2024A Bonds” means the Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2024A, issued pursuant to the First Supplemental Indenture.

“2024B Bonds” means the Agoura Hills Improvement Authority Lease Revenue Refunding Bonds, Series 2024B, issued pursuant to the First Supplemental Indenture.

“2024 Bonds” means the 2024A Bonds and the 2024B Bonds, each issued pursuant to the First Supplemental Indenture.

“2024A Term Bonds” means the 2024A Bonds maturing on June 1, 2041.

“Act” means Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State, as in existence on the Closing Date or as thereafter amended from time to time.

“Additional Bonds” means bonds payable from and secured by Revenues on parity with all other Outstanding Bonds as provided in the Indenture.

“Additional Rental Payments” means the additional rental payable by the City under and pursuant to the Sublease.

“Annual Debt Service” means, with respect to any Bond Year and each Series of Bonds, the sum obtained by totaling the following: (i) the principal amount of all Outstanding Bonds of such Series maturing or required to be redeemed by mandatory sinking fund redemption in such Bond Year; and (ii) the interest which would be due during such Bond Year on the aggregate principal amount of Bonds of such Series which would be Outstanding in such Bond Year if the Bonds Outstanding on the date of such computation were to mature or be redeemed in accordance with the applicable maturity or mandatory sinking fund redemption schedule. At the time and for the

purpose of making such computation, the amount of Bonds of such Series already retired in advance of the above-mentioned schedule or schedules is deducted pro rata from the remaining amounts thereon.

“Assignment Agreement” means the Assignment Agreement, dated as of November 1, 2016, by and between the Authority and the Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

“Authority” means the Agoura Hills Improvement Authority, a joint powers agency duly organized and existing under the JPA Agreement and the laws of the State.

“Authority Board” means the governing body of the Authority.

“Average Annual Debt Service” means, with respect to a Series of Bonds, the average Annual Debt Service of the Outstanding Bonds of such Series over all Bond Years.

“Base Rental” means the base rental payments payable by the City to the Authority pursuant to the Sublease.

“Bond Counsel” means any attorney or firm of attorneys appointed by or acceptable to the Authority of nationally recognized expertise in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“Bond Law” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act, as in existence on the Closing Date or as thereafter amended from time to time.

“Bond Year” means each twelve-month period extending from June 2 in one calendar year to June 1 of the succeeding calendar year, both dates inclusive, except that the first Bond Year for a Series of Bonds shall be from Closing Date for such Series of Bonds to the following June 1. With respect to the 2016 Bonds, the first Bond Year is from the Closing Date through June 1, 2017. With respect to the 2024 Bonds, the first Bond Year is from the Closing Date through June 1, 2024.

“Bonds” means, collectively, the 2016 Bonds, the 2024 Bonds, and any Additional Bonds.

“Business Day” means a day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in the city in which the Trustee maintains its Trust Office are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

“Certificate of the Authority” means a certificate in writing signed by the President, the Vice President, the Chief Administrative Officer or the Treasurer of the Authority or by any other officer of the Authority duly authorized for that purpose by a resolution adopted by the Authority Board and filed with the Trustee.

“Certificate of the City” means a certificate in writing signed by the Mayor, the Mayor Pro Tem, the City Manager, the Treasurer, the Finance Director of the City or by any other officer of the City duly authorized for that purpose.

“City” means the City of Agoura Hills, California.

“Closing Date” means, with respect to each Series of Bonds, the initial date of delivery for such Series of Bonds. With respect to the 2016 Bonds, the Closing Date shall be December 6, 2016, and with respect to the 2024 Bonds, the Closing Date shall be March 21, 2024.

“Code” means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

“Commencement Date” means the Closing Date with respect to the 2016 Bonds.

“Continuing Disclosure Agreement” means the continuing disclosure undertaking of the City relating to one or more Series of Bonds, to the extent applicable, in connection with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as originally executed and as the same may be amended and supplemented from time to time in accordance with the terms thereof.

“Costs of Issuance” means, with respect to each Series of Bonds, all expenses incurred in connection with the authorization, issuance, sale and delivery of such Series of Bonds, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Authority and the Trustee, compensation to any financial consultants or underwriters, legal fees and expenses, filing and recording costs, costs of obtaining title insurance with respect to the Leased Property and any appraisals necessary or advisable in connection therewith, costs relating to conveyance of the Leased Property, rating agency fees, costs of preparation and reproduction of documents, costs of printing, bond insurance premiums and fees and costs for any guaranty, surety bond, letter of credit or other credit facility.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture used from time to time to pay Costs of Issuance with respect to the related Series of Bonds.

“Defeasance Securities” means the direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America; provided, that such securities must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or redemption. “Defeasance Securities” do not include securities that do not have a fixed par value or the terms of which do not promise a fixed dollar amount at maturity or call date.

“Depository” means The Depository Trust Company, New York, New York, and its successors and assigns as securities depository for the Bonds, or any other securities depository acting as Depository pursuant to the Indenture.

“Escrow Agent” means U.S. Bank Trust Company, National Association, as escrow agent under the 2013 Bonds Escrow Agreement.

“Expiration Date” means June 1, 2041.

“Financing Authority” means the Agoura Hills Financing Authority, a joint powers agency duly organized and existing under a Joint Exercise of Powers Agreement, dated as of April 1, 1999, by and between the City and the Agoura Hills Redevelopment Agency.

“First Supplemental Indenture” means this First Supplemental Indenture, dated as of March 1, 2024, by and between the Authority and U.S. Bank Trust Company, National Association, as trustee.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

“Grant Proceeds” means the grant proceeds for the Project received by the City from the California Department of Parks and Recreation and the Los Angeles County Metropolitan Transit Authority Regional funds (Measure R and M).

“Grant Proceeds Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Indenture” means the Indenture, dated as of November 1, 2016, as supplemented by the First Supplemental Indenture, dated as of March 1, 2024, each by and between the Authority and the Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

“Independent Certified Public Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Authority, and who, or each of whom: (i) is in fact independent and not under domination of the Authority or the City; (ii) does not have any substantial interest, direct or indirect, in the Authority or the City; and (iii) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, at [www.emma.msrb.org](http://www.emma.msrb.org); provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services means such other organizations providing information with respect to called bonds as the Authority may designate to the Trustee in writing.

“Interest Account” means the account by that name established and held by the Trustee pursuant to the Indenture.

“Interest Payment Date” means June 1 and December 1 of each year, commencing June 1, 2017 with respect to the 2016 Bonds, and commencing June 1, 2024 with respect to the 2024 Bonds.

“JPA Agreement” means Joint Exercise of Powers Agreement, dated as of July 1, 2013, by and between the City and the Agoura Hills Parking Authority.

“Lease” means that certain Lease Agreement, dated as of November 1, 2016, as the same may be amended or modified from time to time.

“Leased Property” means the Site, the city hall and library facilities, and all other improvements constructed on the Site.

“Lease Revenue Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Master Indenture” means the Indenture, dated as of November 1, 2016, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., predecessor in interest to U.S. Bank Trust Company, National Association, as trustee.

“Maximum Annual Debt Service” means, with respect to a Series of Bonds, the largest Annual Debt Service during the period from the date of calculation through the final maturity date of any Outstanding Bonds of such Series.

“Moody’s” means Moody’s Investors Service, Inc., and its successors and assigns.

“Net Proceeds” means any insurance or condemnation proceeds, paid with respect to the portion of the Leased Property remaining after payment therefrom of all expenses in the collection thereof.

“Original Purchaser” with respect to the 2016 Bonds, means Citigroup Global Markets Inc., and with respect to the 2024 bonds, means Raymond James & Associates, Inc., and its successors and assigns.

“Outstanding,” when used as of any particular time with reference to Bonds, means all Bonds theretofore executed, issued and delivered by the Authority under the Indenture except:

- (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;
- (b) Bonds paid or deemed to have been paid pursuant to the Indenture; and
- (c) Bonds in lieu of which or in substitution for which other Bonds have been executed, issued and delivered pursuant to the Indenture or any Supplemental Indenture.

“Owner” or “Bond Owner,” when used with respect to any Bond, means the person in whose name the ownership of such Bond must be registered on the Registration Books.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository.

“Payment Date” means, with respect to a Base Rental payment, the date listed as its related “Payment Date” in Exhibit B of the Sublease.

“Permitted Encumbrances” means (a) liens for general *ad valorem* taxes, special taxes and assessments, if any, not then delinquent, or which the City may, pursuant to the Sublease, permit to remain unpaid; (b) liens created pursuant to or permitted under the Lease or the Sublease; (c) easements, right of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Commencement Date; (d) utility, access and other easements and rights of way, restrictions and exceptions that do not interfere with or impair the use intended to be made of the relevant Leased Property; (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law after the Commencement Date; (f) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property similar in character to the relevant Leased Property and as do not materially impair the use intended to be made of property affected thereby; and (g) easements, right of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Commencement Date and to which the Authority and the City consent in writing.

“Permitted Investments” mean any of the following obligations if and to the extent that they are permissible investments of funds of the Authority, as applicable:

- (1) Cash;
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America including:
  - A. U.S. Treasury obligations;

- B. All direct or fully guaranteed obligations
- C. Farmers Home Administration;
- D. General Services Administration;
- E. Guaranteed Title XI financing;
- F. Government National Mortgage Association (GNMA); and
- G. U.S. Treasury - State and Local Government Series

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- A. Export-Import Bank;
- B. Rural Economic Community Development Administration;
- C. U.S. Maritime Administration;
- D. Small Business Administration;
- E. U.S. Department of Housing & Urban Development (PHAs);
- F. Federal Housing Administration; and
- G. Federal Financing Bank;

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- A. Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);
- B. Obligations of the Resolution Funding Corporation (REFCORP); and
- C. Senior debt obligations of the Federal Home Loan Bank System;

(5) U.S. Dollar-denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks (including the Trustee and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (provided that ratings on holding companies is not considered the rating of the bank);

(6) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized by Permitted Investments described in clauses (2), or (3) in banks (including the Trustee and any affiliate) which have capital and surplus of at least \$5 million;

(7) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(8) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including funds for which the Trustee or an affiliate receives and retains a fee for



services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise;

(9) “Pre-refunded Municipal Obligations,” defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and (A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (2) of the definition of Permitted Securities, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(10) Any bonds or other obligations of any agency, instrumentality or local governmental unit of any state of the United States of America which are rated “Aaa/AAA” or general obligations of any such state with ratings of “A2” or higher by Moody’s and “A” or higher by S&P;

(11) Investment agreements approved in writing by the Trustee (supported by appropriate opinions of counsel); and

(12) Any state or county administered pooled investment fund in which the Authority or the City is statutorily permitted or required to invest will be deemed a permitted investment, including, but not limited to the Local Agency Investment Fund in the treasury of the State.

“Principal Account” means the account by that name established and held by the Trustee pursuant to the Indenture.

“Project” means planning, design, engineering, acquisition, construction, and related improvements for the City’s linear greenway recreational area, known as “Ladyface Greenway”, and other public capital improvements.

“Project Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Qualified Reserve Account Credit Instrument” means an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee for crediting the Reserve Subaccount for a Series of Bonds, which instrument must meet the qualifications specified in the Supplemental Indenture providing for the issuance and terms of such Series of Bonds.

“Record Date” means, with respect to any Interest Payment Date, the 15th calendar day of the month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Registration Books” means the records maintained by the Trustee pursuant to the Indenture for the registration and transfer of ownership of the Bonds.

“Rental Payments” means collectively the Base Rental Payments and the Additional Rental Payments.

“Representation Letter” means the Blanket Issuer Letter of Representations, dated August 28, 2013, from the Authority to the Depository, qualifying bonds issued by the Authority for the Depository’s book-entry system.

“Request of the Authority” means a request in writing signed by the President, the Vice President, the Chief Administrative Officer, the Treasurer or by any other officer of the Authority duly authorized for that purpose by a resolution adopted by the Authority Board and filed with the Trustee.

“Request of the City” means a request in writing signed by the Mayor, the Mayor Pro Tem, the City Manager, the Finance Director, or by any other officer of the City duly authorized for that purpose.

“Reserve Account” means the account by that name established and held by the Trustee pursuant to the Indenture

“Reserve Requirement” means: (i) with respect to the 2016 Bonds and the 2024 Bonds, means \$0.00; and (ii) with respect to any other Series of Bonds, the amount provided in the relevant Supplemental Indenture.

“Reserve Subaccount” means any subaccount of the Reserve Account established for a Series of Bonds and held by the Trustee in the Reserve Account pursuant to the Indenture and the relevant Supplemental Indenture.

“Revenues” means (a) all Base Rental Payments payable by the City pursuant to the Sublease (including prepayments); (b) any proceeds of Bonds originally deposited with the Trustee and held by the Trustee in the Lease Revenue Fund and the accounts thereof; (c) investment income with respect to any moneys held by the Trustee in the Lease Revenue Fund and the accounts thereof (other than amounts payable to the United States of America for rebate purposes); and (d) any insurance proceeds or condemnation awards received by or payable to the Trustee with respect to the Leased Property, including rental interruption insurance.

“S&P” means Standard & Poor’s Ratings Services, and its successors and assigns.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, New York, New York 10041, Attn: Call Notification Department, Fax (212) 855-7232 and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

“Series” means, when used with reference to the Bonds, all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Indenture (or a Supplemental

Indenture authorizing such Bonds) as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

“Series 2024 Costs of Issuance Accounts” means the Series 2024A Costs of Issuance Account and the Series 2024B Costs of Issuance Account.

“Series 2024A Costs of Issuance Account” means the account by that name within the Costs of Issuance Fund.

“Series 2024B Costs of Issuance Account” means the account by that name within the Costs of Issuance Fund.

“Site” means that certain real property that is the location of the city hall and library facilities.

“State” means the State of California.

“Sublease” means the Sublease Agreement, dated as of November 1, 2016, by and between the Authority, as lessor, and the City, as lessee, as amended by the First Amendment to Sublease, dated as of March 1, 2024, by and between the Authority and the City, and as it may thereafter from time to time be supplemented, modified or amended.

“Supplemental Indenture” means any agreement supplemental to or amendatory of the Indenture.

“Tax Certificate,” with respect to each Series of Tax-Exempt Bonds, means the Certificate Regarding Compliance with Certain Tax Matters (or similar instrument) dated the date of the original delivery date of such Series of Tax-Exempt Bonds relating to the requirements of certain provisions of the Code, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government that such interest is excluded from gross income for federal income tax purposes whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax, under the Code.

“Tax-Exempt Bonds” means all of the Outstanding Bonds, except for those of any Series not intended by the Authority to comply with the requirements of the Code necessary to make interest on such Series of Bonds excludable from gross income for federal tax purposes.

“Trust Office” means the principal corporate trust office of the Trustee in Los Angeles, California or such other offices as may be specified to the Authority by the Trustee in writing. With respect to presentation of Bonds for payment or for registration of transfer and exchange such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

“Trustee” means U.S. Bank Trust Company, National Association, as successor trustee to The Bank of New York Mellon Trust Company, N.A., and its successors and assigns, and any other corporation or association that may at any time be substituted in its place as provided in the Indenture.

## LEASE

### Term

The City leases the Leased Property to the Authority and the Authority hires the Leased Property from the City, on the terms and conditions set forth in the Lease.

The term of the Lease commences on the Commencement Date and ends on the last day of the term of the Sublease, which is the earliest of: (i) the Expiration Date; (ii) the date on which the Base Rental payments are paid (or prepaid) in full under the provisions of the Sublease; or (iii) the date of discharge of the Indenture.

### Rental

The Authority agrees to pay to the Trustee on the Closing Date the proceeds of the Bonds as advance rental for the use and right to possession of the Leased Property for the term of the Lease. The rental must be applied by the Trustee as provided in the Indenture.

### Default

If: (a) the Authority fails to keep, observe or perform any term, covenant or condition contained in the Lease to be kept or performed by the Authority,

(b) the Authority's interest in the Lease or any part thereof is assigned or transferred without the written consent of the City, either voluntarily or by operation of law or otherwise, except as provided in the Lease,

(c) any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency or similar law or any law providing for the appointment of a receiver, liquidator, trustee or similar official of the Authority or of all or substantially all of its assets is instituted by or with the consent of the Authority, or is instituted without its consent and is not permanently stayed or dismissed within 60 days,

(d) the Authority offers to the Authority's creditors to effect a composition or extension of time to pay the Authority's debts, or asks, seeks or prays for a reorganization or to effect a plan or reorganization or for readjustment of the Authority's debts, or

(e) the Authority makes, in connection with any proceedings related to bankruptcy, insolvency, liquidation, winding up or similar events a general assignment or any assignment for the benefit of the Authority's creditors,

then the Authority is deemed to be in default under the Lease and it is lawful for the City to exercise any and all rights and remedies available pursuant to law; provided, however, that (i) no merger of the Lease and the Sublease is deemed to occur as a result thereof and (ii) so long as any Bonds remain outstanding, the City has no power to terminate the Lease by reason of any default on the part of the Authority.

Neither the City nor the Authority is, in any event, in default in the performance of any of its obligations under the Lease or imposed by law unless and until the City or the Authority (as the case may be) have failed to perform such obligation within 60 days after notice by the Authority or the City (as the case may be) to the nonperforming party properly specifying wherein such party has failed to perform any such obligation.

## SUBLEASE

### Term

The Authority subleases to the City and the City hires from the Authority the Leased Property. The term of the Sublease commences on the Commencement Date, and ends on the earliest of (i) the Expiration Date; (ii) the date on which the Base Rental payments are paid (or prepaid) in full under Sublease; or (iii) the date of discharge of the Indenture.

Throughout the term of the Sublease, fee title to the Leased Property remains in the City. While any Bonds remain Outstanding under the Indenture, there is no merger of the subleasehold estate in the Leased Property created by the Sublease, the leasehold estate in the Leased Property created by the Lease, and the fee estate in the Leased Property merely because such estates, or any of them, have been acquired or become vested in the same person or entity.

### Rental

The City agrees to pay to the Authority, its successors or assigns, as rental for the use and possession of the Leased Property, the following amounts at the following times:

*Base Rental.* The City must pay as "Base Rental" to the Authority or to the Trustee, semiannually, the rental payments in accordance with the Base Rental Payment Schedule attached to the Sublease, less any amounts credited against Base Rental pursuant to the Indenture. Each Base Rental payment is payable in arrears five Business Days before its Payment Date, and is made in consideration for the City's use and possession of the Leased Property for the six-month period preceding the Payment Date of such payment.

*Additional Rental.* The City must also pay, as "Additional Rental," in addition to the Base Rental, to the Authority or to the Trustee, such amounts in each year as required for the payment of all costs and expenses incurred by the Authority or the Trustee in connection with the execution, performance or enforcement of the Sublease or the assignment thereof, the Indenture, or the Authority's or the Trustee's respective interests in the Leased Property, including, but not limited to, all fees, costs and expenses, all administrative costs of the Authority relating to the Leased Property (including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture), amount (if any) required to be deposited by the Trustee under the Indenture to restore the balance in a subaccount of the Reserve Account to the full amount of the applicable Reserve Requirement, fees of auditors, accountants, attorneys or engineers, and all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the Bonds or of the Indenture. The Authority or the Trustee will bill such Additional Rental to the City from time to time. The City must pay amounts so billed within 30 days after receipt of the bill by the City.

*Fair Rental Value Determination.* Such payments of Base Rental and Additional Rental for each rental payment period constitute the total rental for said rental payment period, and must be paid by the City in each rental payment period for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which said rental is to be paid. The parties to the Sublease have agreed and determined that such total rental represents the fair rental value of the Leased Property for each such period. In making such determination, consideration has been given to other obligations of the parties under the Sublease, the uses and purposes which may be served by the Leased

Property and the benefits therefrom which will accrue to the City and the general public. The determination of fair rental value of the Leased Property pursuant to this paragraph is not controlling in connection with a determination of fair value of the Leased Property by the parties to the Sublease for any other purpose.

*Payment in Lawful Moneys; Disputes.* Each installment of Base Rental payable under the Sublease must be paid in lawful money of the United States of America to the order of the Trustee at the corporate trust office of the Trustee in Los Angeles, California, or such other place as the Trustee designates. Notwithstanding any dispute between the City and the Authority, the City must make all rental payments when due, without deduction or offset of any kind, and must not withhold any rental payments pending the final resolution of any such dispute. In the event of a determination that the City was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, at the option of the City, must be credited against subsequent rental payments due or be refunded at the time of such determination.

*Inclusion in Annual Budget.* The City covenants to take such action as may be necessary to include all such rental payments due under the Sublease in its annual budget and to make the necessary annual appropriations for all such rental payments. The City must furnish to the Authority and the Trustee annually, on or before July 1 of each year, a certificate stating that it has complied with the covenant set forth in this paragraph.

### **Maintenance, Utilities, Taxes and Assessments**

During such time as the City or any permitted sublessee thereof is in possession of the Leased Property, all maintenance and repair, ordinary or extraordinary, of the Leased Property is the responsibility of the City, and the City must pay for or otherwise arrange for the payment of (a) all utility services supplied to the Leased Property, (b) the cost of operation of the Leased Property, and (c) the costs of maintenance of and repair to the Leased Property resulting from ordinary wear and tear or want of care on the part of the City. The City must, at the City's sole cost and expense, keep and maintain the Leased Property clean and in a safe and good condition and repair. The Authority has no obligation to alter, remodel, improve, repair, decorate, or paint the Leased Property or any part thereof, and the Authority has made no representations or warranties to the City respecting the condition of the Leased Property.

The City must comply with all statutes, ordinances, regulations, and other requirements of all governmental entities that pertain to the occupancy or use of the Leased Property. The Authority has no responsibility or obligation whatsoever to construct any improvements, modifications or alterations to the Leased Property.

The City and the Authority contemplate that the City will use the Leased Property for public purposes and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to real and personal property, respectively. In the event that the use, possession or acquisition by the Authority or the City of any of the Leased Property is found to be subject to taxation in any form, the City will pay during the term of the Sublease, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to such Leased Property and any other property acquired by the City in substitution for, as a renewal or replacement of, or a modification, improvement or addition to such Leased Property; provided, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the City is obligated to pay only such installments as are accrued during such time as the Sublease is in effect.

## **Changes to Leased Property**

The City has the right during the term of the Sublease to acquire and construct improvements or to attach fixtures, structures or signs to the Leased Property if the improvements, fixtures, structures or signs are necessary or beneficial for the use of such Leased Property by the City; provided, however, that no such acquisition or construction results in a material reduction in the value of the Leased Property, reduce the fair rental value thereof or substantially alter the nature of the Leased Property.

Upon termination of the Sublease, the City may remove any fixture, structure or sign added by the City, but such removal must be accomplished so as to leave the Leased Property, except for ordinary wear and tear and damage by casualty, in substantially the same condition as they were in before the fixture, structure or sign was attached.

## **Title Insurance**

The City must obtain a California Land Title Association insurance policy (or, at the City's sole discretion, an American Land Title Association insurance policy) at the time of and dated as of the Commencement Date in an aggregate amount not less than the aggregate principal amount of the Bonds, payable to the Trustee, insuring the respective interests of the City and the Authority in the Leased Property, and insuring the validity of the Assignment Agreement, subject only to Permitted Encumbrances issued by a title insurance company qualified to do business in the State of California and acceptable to the Trustee. To the extent permitted under the Indenture, the costs of obtaining such title insurance policy or policies may be paid out of the sale proceeds of the Bonds.

## **Other Insurance**

*Liability Insurance.* The City must procure (or cause to be procured) and maintain (or cause to be maintained), throughout the term of the Sublease, a standard commercial general liability insurance policy or policies, naming as additional insureds the Authority, the Trustee, and their directors, officers, agents and employees, insuring against all direct or contingent loss or liability for damages for bodily injury, death or property damage occasioned by reason of the use or operation of the Leased Property, in the form of a combined single limit policy in the minimum amount of \$10,000,000. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the City.

*Workers Compensation Insurance.* The City must at all times comply with the workers' compensation insurance laws of the State of California to the extent applicable to the City.

*Fire and Extended Coverage Insurance.* The City must procure (or cause to be procured) and maintain (or cause to be maintained), throughout the term of the Sublease, insurance against loss or damage to any part of the Leased Property against all perils included within the classification of fire, extended coverage, vandalism, and malicious mischief. Said fire and extended coverage insurance must, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke, sprinkler damage, boiler explosion and such other hazards as are normally covered by such insurance. Such insurance must be in an amount equal to 100 percent of the replacement cost of the improvements on the Leased Property. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the City. The insurance policy required under this paragraph may include a deductible in an amount not exceeding \$50,000 expressed in 2016 dollars, to be

adjusted annually for the rate of inflation, as measured by the Consumer Price Index for the State, as maintained by the Bureau of Labor Statistics, United States Department of Labor.

Rental Interruption Insurance. The City must procure (or cause to be procured) and maintain (or cause to be maintained), throughout the term of the Sublease, rental interruption insurance to cover loss, total or partial, of the use of any part of the Leased Property as the result of any of the hazards covered in the insurance required by the preceding paragraph and the resulting loss of rental income to the Trustee, as assignee of the Authority, in an amount sufficient to pay the maximum remaining principal and interest portions of Base Rental due under the Sublease for a period of at least 24 months. The Net Proceeds of such insurance must be paid to the Trustee for deposit in the Lease Revenue Fund and must be credited towards the payment of Base Rental in the order in which such Base Rental payments become due and payable.

Self-Insurance. As an alternative to providing the liability insurance, workers compensation insurance, and fire and extended coverage insurance as required above, the City may provide a self-insurance method or plan of protection (but only from a special fund of the City or other source for which the General Fund of the City is not in any fashion obligated nor to which the City is otherwise obligated to make payments), covering one or all of such insurance coverages required, so long as (i) such self-insurance method or plan of protection affords reasonable protection to the Authority and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by counties in the State other than the City, (ii) the City provides evidence to the Authority and the Trustee that the City has segregated amounts in a special insurance reserve meeting the requirements of this paragraph, and (iii) in the reasonable opinion of the City's risk manager or a reputable independent insurance consultant, such self-insurance is maintained at an actuarially sound level for the purpose of the Sublease.

Net Proceeds of Insurance; Form of Policies. The fire and extended coverage and the rental interruption policies of insurance must provide that all proceeds thereunder are payable to the Trustee pursuant to a lender's loss payable endorsement. The Net Proceeds of fire and extended coverage insurance policy must be applied as provided in the provision of the Sublease described below under "Damage, Destruction and Condemnation; Application of Net Proceeds." All policies of insurance required by the Sublease and any statements of self-insurance must be in form satisfactory to the Authority. The City must pay or cause to be paid when due the premiums for all insurance policies required by the Sublease. All such policies must provide that the Authority and the Trustee are given 30 days' notice of each expiration, and any intended cancellation thereof or reduction of the coverage provided thereby. The City must deliver to the Trustee on or before each anniversary of the Commencement Date a certificate that all insurance required under the Sublease is in full force and effect. The Trustee may conclusively rely upon the certificate of insurance. In the event that the City obtains insurance through a pooled insurance program of governmental entities, an annual statement or memorandum of coverage delivered to the Authority and the Trustee will satisfy the requirements of this paragraph. The Trustee and the Authority are not responsible for the sufficiency of any insurance required in the Sublease or payment of premium and are fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee.

Advances. If the City fails to perform any of its insurance obligations, as described above, then the Authority may, but is obligated to, take such action as may be necessary to cure such failure, including the advancement of money on behalf of the City, and the City must repay all such advances as soon as possible.

Waivers of Subrogation. Each of the Authority and the City waives any and all rights to recovery against the other or against any other tenant or occupant of the Leased Property, or



against the officers, employees, agents, representatives, customers, and business visitors of such other party or of such other tenant or occupant of the Leased Property, for loss or damage to such waiving party or its property or the property of others under its control, arising from any cause insured against under the standard form of property damage insurance policy with all permissible extensions and endorsements covering extended perils or under any other policy of insurance carried by such waiving party in lieu thereof, to the extent such policies then in force permit such waiver.

### **Damage, Destruction and Condemnation; Application of Net Proceeds**

Prior to the expiration of the term of the Sublease, if (a) the Leased Property is destroyed (in whole or in part) or is damaged by fire or other casualty, (b) title to, or the temporary use of, any portion of the Leased Property or the estate of the Authority or the City in a Leased Property or any portion is taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or corporation acting under governmental authority, or (c) leasehold interest in the Leased Property is materially impaired by reason of a defect of title, then the Authority and the City must cause the Net Proceeds of any insurance payment (other than the Net Proceeds of rental interruption insurance which must be applied pursuant to the Sublease) or any condemnation award to be applied to the prompt repair, restoration, modification, improvement or replacement of the damaged, destroyed or condemned portion of the Leased Property or cure the defect of title to the Leased Property, and any balance of Net Proceeds remaining after such work or cure of title defect has been completed must be paid to the City.

Notwithstanding the foregoing, the City may elect not to repair, restore, modify, improve or replace the destroyed, damaged or condemned portion of the Leased Property or not to cure the defect of title to the affected portion of the Leased Property and thereupon cause said proceeds (together with any other money that the City in its discretion has determined to utilize for such purpose) to be used for: (i) a prepayment of Base Rental, in full, *if* the proceeds and such other available moneys, together, are at least sufficient to cause a redemption all of the then outstanding Bonds, or (ii) a partial prepayment of the then unpaid Base Rental, *if* immediately after such prepayment, there are amendments to the Lease and the Sublease, deleting the portion of the Leased Property affected by such condemnation, damage, destruction or title defect from the Lease and the Sublease and the City determines that the Base Rental remaining under the Sublease does not exceed fair rental value of the remaining portion of the Leased Property after the deletion; provided, that in either event, the City must make a determination on whether to prepay Base Rental within 45 days of the date on which the destruction of the Leased Property occurred, the condemnation proceedings were completed or the leasehold interest in the affected portion of the Leased Property was determined to be materially impaired, whichever is applicable, and in any event in sufficient time to provide the Authority and the Trustee with at least 45 days' prior written notice in the event the City determines to prepay Base Rental.

### **Default**

If default is made by the City in the observance or performance of any agreement, condition, covenant or term in the Sublease required to be observed or performed by it (including, without limitation, the payment of any Base Rental or Additional Rental), the Authority may at any time thereafter (with or without notice and demand and without limiting any other rights or remedies the Authority may have) recover rent and other monetary charges as they become due without terminating the City's right to possession of the Leased Property (regardless of whether or not the City has abandoned the Leased Property). Furthermore, upon the occurrence of such a default, the Authority has the right, and the City irrevocably appoints the Authority as its agent and attorney-in-fact for such purpose, to attempt to relet the Leased Property at such rent, upon such conditions

and for such term, and to do all other acts to maintain or preserve the Leased Property, including the removal of persons or property therefrom or taking possession thereof, as the Authority deems desirable or necessary. The City waives any and all claims for any damages that may result to the Leased Property upon any action taken by the Authority under this paragraph. No action taken by the Authority under this paragraph is deemed to terminate the Lease or the Sublease and the City continues to remain liable for any deficiency that may arise out of such reletting, taking into account expenses incurred by the Authority due to such reletting, payable at the same time and manner as provided for Base Rental.

The Authority expressly waives the right to receive any amount from the City pursuant to Section 1951.2(a)(3) of the California Civil Code.

Each and all of the remedies given to the Authority under the Sublease or by any law now existing or hereafter enacted are cumulative and the exercise of any one remedy does not impair the right of the Authority to any or all other remedies.

In addition to any default resulting from breach by the City of any agreement, condition, covenant or term of the Sublease, *if*:

(i) the City's interest in the Sublease or any part thereof is assigned or transferred, either voluntarily or by operation of law, except as provided in the Sublease; or

(ii) the City files any petition or institutes any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the City must make, in connection with any proceedings related to bankruptcy, insolvency, liquidation, winding up or similar event, a general assignment or any assignment for the benefit of its creditors; or

(iii) the City abandons the Leased Property or any portion thereof,

*then*, in each and every such case, the City is deemed to be in default.

Neither the Authority nor the City is in default in the performance of any of its obligations under the Sublease (except for the obligation of the City to pay Base Rental when due) unless and until it fails to perform such obligation within 30 days after notice by the Authority or the City, as the case may be, to the other party properly specifying wherein it has failed to perform such obligation.

### **Prepayment and Credits**

Prepayment from Net Proceeds of Insurance or a Condemnation Award. The City may prepay, from Net Proceeds of insurance or a condemnation award received by it, the principal components of Base Rental then unpaid, in whole or in part on any date, at a prepayment price equal to the sum of the principal components prepaid plus accrued interest thereon to the date of prepayment. In such event, the Bonds must be redeemed pursuant the Indenture.

Prepayment From Any Source of Moneys. The City may, at its option, prepay from any source of available moneys, Base Rental then unpaid, in whole or in part, for a redemption of Bonds pursuant to the Indenture. A prepayment is made upon the occurrence of either of the following: (i) The City deposited with the Trustee an amount equal to the sum of (A) the principal components of Base Rental being so prepaid, plus (B) the interest components with respect thereto accrued to the related redemption date(s) of the Bonds; or (ii) There has been deposited, on behalf of the Authority, with the Trustee or another fiduciary, Defeasance Securities (or a combination of cash and Defeasance Securities) in a sufficient amount to satisfy the requirements of the Indenture to discharge the Bonds to be redeemed in connection with such prepayment.

Except in the case of a prepayment of Base Rental to redeem all of the then Outstanding Bonds, a prepayment of principal components of Base Rental: (1) applies only to Base Rental previously unpaid and not yet due, and (2) reduces Base Rental so that, after such prepayment (and the related redemption of Bonds), (A) each annual installment of principal components of Base Rental is an integral multiple of \$5,000 and (B) the principal components of Base Rental due in any year corresponds with the principal amount of Bonds due and payable in such year.

In the event of a partial prepayment of Base Rental, the City must provide the Trustee with an amended schedule of Base Rental payments. A prepayment will not cause a defeasance of Bonds unless the requirements of the Indenture are satisfied.

In the event that the City determines to prepay in full the principal components of Base Rental, such that the Sublease is terminated by its terms, all amounts then on deposit under the Indenture which are to be credited to the City's obligations to make Base Rental payments must be credited towards the amounts then required to be so prepaid.

### **Right of Entry**

The Authority and its assignees have the right to enter the Leased Property during reasonable business hours (and in emergencies at all times), subject to the City's reasonable security measures, (a) to inspect the same, (b) for any purpose connected with the City's or the Authority's rights or obligations under the Sublease, and (c) for all other lawful purposes.

### **Mechanics' Liens**

In the event the City, at any time before or during the term of the Sublease, causes any improvements or other work to be done or performed or materials to be supplied, in or upon the Leased Property, the City must pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon or about the Leased Property and which may be secured by any mechanics', materialmen's or other liens against the Leased Property or the Authority's interest therein, and must cause any such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the City desires to contest any such lien it may do so. If any such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the City must pay and discharge said judgment.

### **Quiet Enjoyment**

The City and Authority mutually covenant that the City, so long as it keeps and performs the covenants and agreements in the Sublease, must at all times during the term of the Sublease

peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Authority.

### **Indemnification**

The City must, to the full extent then permitted by law, indemnify, defend, protect and hold harmless the Authority and its members, officers and employees and the Trustee from and against any and all liabilities, obligations, losses, claims and damages whatsoever, regardless of the cause thereof (except for any liability, obligation, loss, claim or damage arising out of the negligent or intentional act or omission of the Trustee, its officers, directors or employees), and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of the Sublease and the Indenture, the payment of the costs of (including any accident in connection with) the operation, use, condition or possession of the Leased Property or any portion thereof resulting in damage to property or injury to or death to any person or the Trustee's exercise and performance of its powers and duties under the Sublease, or the Indenture and any other document or transaction contemplated in connection with the Indenture or the Sublease. This indemnification continues in full force and effect notwithstanding the full payment of all rent obligations, the termination of the Sublease for any reason or the resignation or removal of the Trustee. The City agrees not to withhold or abate any portion of the payments by reason of any defects, malfunctions, breakdowns or infirmities of the Leased Property. The Authority and the City mutually agree to promptly give notice to each other of any claim or liability indemnified against following either's learning thereof.

### **Assignment; Subletting of Leased Property**

The Sublease and the rights of the Authority under the Sublease (except the Authority's rights to give approvals and consents and to indemnification and payment or reimbursement for any costs or expenses of the Authority) will be assigned to the Trustee pursuant to the Assignment Agreement and the Indenture, and accordingly, the City agrees to make all rental payments due to the Authority directly to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of the Sublease or otherwise) that the City may have from time to time against the Authority, except as provided in the abatement provisions of the Sublease.

Neither the Sublease nor any interest of the City under the Sublease may be mortgaged, pledged, assigned or transferred by the City by voluntary act or by operation of law or otherwise; provided that the City may sublease all or any portion of the Leased Property, and may grant concessions to others involving the use of any portion of the Leased Property, whether such concessions purport to convey a leasehold interest or a license to use a portion of the Leased Property. The City must at all times remain liable for the performance of the covenants and conditions on its part to be performed under the Sublease, notwithstanding any subletting or granting of concessions which may be made. Nothing in the Sublease relieves the City from its obligation to pay Base Rental and Additional Rental as provided in the Sublease or to relieve the City from any other obligations contained in the Sublease. Without limiting the foregoing, to the extent that the Sublease or the Assignment Agreement confers upon or grants the Trustee any right, remedy or claim under or by reason of the Sublease, the Trustee is recognized as being a third party beneficiary and may enforce such right, remedy or claim conferred, given or granted.

### **Abatement of Rental**

The obligation of the City to pay Base Rental and Additional Rental must be abated during any period in which, by reason of any damage, destruction, condemnation or impairment of

leasehold interest, there is substantial interference with the use and occupancy of the Leased Property or any portion thereof by the City. Such abatement is in an amount agreed upon by the City and the Authority such that the resulting Base Rental in any year during which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or impairment do not substantially interfere with the City's use and right of possession. Such abatement continues for the period commencing with the date of such interference and ending with the restoration of the relevant Leased Property to tenantable condition. For clarification purposes, to the extent that any Base Rental is to be paid or prepaid from insurance or condemnation proceeds deposited with the Trustee, such Base Rental is not reduced or abated.

Upon the cessation of the occurrence of any abatement event during the term of the Sublease, the City must cause the Leased Property to be appraised by an MAI appraiser to determine its then current fair rental value. If such fair rental value is greater than the fair rental value of the Leased Property as of the Commencement Date, the Base Rental must be increased by the lesser of (i) such incremental value or (ii) the amount needed to recoup all amounts abated during the remaining term of the Sublease.

Except as set forth in the Sublease, in the event of any damage, destruction or condemnation, the Sublease continues in full force and effect and the City waives any right to terminate the Sublease by virtue of such damage, destruction or condemnation. The City further waives the benefit of Sections 1932(1), 1932(2), 1933(4), 1941 and 1942 of the California Civil Code.

#### **Additional Covenants of the City**

The City covenants that during the term of the Sublease it will not use or permit the use of the Leased Property or any proceeds of the Tax-Exempt Bonds, directly or indirectly, in any manner, and will not take or omit to take any action, that would cause any of the Tax-Exempt Bonds to be treated as an obligation not described in Section 103(a) of the Code.

#### **Substitution or Release of Property**

The Leased Property may be substituted, in whole or in part, by other properties, or a portion of the Leased Property may be released from the Sublease, at the option of the City; provided, that the following conditions have been satisfied: (i) such substitution or release does not, in the opinion of Bond Counsel, adversely affect the tax-exempt status of the Tax-Exempt Bonds; (ii) the City obtained an appraisal from an MAI certified appraiser showing that the appraised value of the Leased Property, after the proposed substitution or release, is equal to or greater than the aggregate amount of the principal component of the Base Rental (i.e., the principal amount of the Outstanding Bonds); (iii) the City certifies to the Authority and the Trustee that the annual fair rental value of the Leased Property, after such substitution or release, is at least equal to the maximum annual Base Rental remaining unpaid under the terms of the Sublease; (iv) the City notifies the rating agency (or agencies) then rating the Bonds regarding such substitution or release and receives confirmation that such substitution or release will not, in and of itself, result in a reduction of such rating(s) on the Bonds; (v) in the event that the substituted property consists in whole or in part of real property, a California Land Title Association insurance policy (or, at the City's sole discretion, an American Land Title Association insurance policy) on the substituted property has been obtained and evidence that any existing title insurance with respect to the portion of the Leased Property remaining after such substitution is not affected; and (vi) the Sublease is amended (and any "short form" or "Memorandum of Sublease") to properly reflect such substitution or release.

## **Amendments**

The Sublease may only be amended to the extent permitted by the Indenture.

## **Net Lease**

Subject to the provisions of the Sublease related to abatement of rental, the Sublease is deemed and construed to be a "Triple-Net Lease" and the City agrees that rental is an absolute net return to the Authority, free and clear of any expenses, charges or setoffs whatsoever.

## **ASSIGNMENT AGREEMENT**

The Authority transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the right, title and interest of the Authority in (but not of its obligations under) the Lease and the Sublease (except the Authority's rights to give approvals and consents under the Lease and the Sublease and to indemnification and payment or reimbursement for any costs or expenses thereunder), including the Authority's rights to receive the Base Rental Payments scheduled to be paid by the City under and pursuant to the Sublease, and any and all of the other rights of the Authority under the Lease and the Sublease as may be necessary to enforce payment of such Base Rental Payments when due or otherwise to protect the interest of the Owners of the Bonds.

## **INDENTURE**

### **Additional Bonds**

The Authority may from time to time issue one or more series of Additional Bonds payable from and secured by Revenues on parity with all other Outstanding Bonds. Such bonds must be issued under and pursuant to a Supplemental Indenture which specifies: (i) the maturity date or dates of such Additional Bonds, which must be June 1 in any given year; (ii) the interest payment dates, which must be June 1 and December 1; (iii) the terms, if any, for call and redemption of such Additional Bonds prior to maturity; and (iv) the interest rate or rates on such Additional Bonds and any other matters deemed appropriate or necessary and not inconsistent with the provisions of the Indenture.

All of the Additional Bonds must be executed by the Authority for issuance under the Indenture and delivered to the Trustee and thereupon must be delivered by the Trustee upon the Request of the Authority but only upon receipt by the Trustee of the following documents or money or securities:

(i) A certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(ii) A Request of the Authority as to the delivery of such Additional Bonds;

(iii) An opinion of Bond Counsel substantially to the effect that (a) the Authority has the right and power under the Act to execute and deliver such Supplemental Indenture, and such Supplemental Indenture has been duly executed and delivered by the Authority, and the Indenture and such Supplemental Indentures are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights and similar qualifications); (b) such Additional Bonds are valid and binding special

obligations of the Authority, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and are subject to the terms of the Indenture and all Supplemental Indentures and entitled to the benefits of the Indenture and all such Supplemental Indentures and the Act, and such Additional Bonds have been duly and validly issued in accordance with the Act and the Indenture and all such Supplemental Indentures; and (c) the obligation of the City to make the Base Rental Payments during the term of the Sublease as amended, is a valid and binding obligation of the City;

(iv) A Certificate of the Authority (a) certifying that the Authority is in compliance with all agreements and covenants contained in the Indenture in all material respects and that no Event of Default has occurred or is continuing; (b) stating that the Authority and the City have entered into an amendment to the Sublease pursuant to which the City is obligated to make Base Rental Payments at times and in amounts sufficient to provide for payment of the principal of and interest on the Bonds (including such Additional Bonds) which will be Outstanding following the sale and delivery of such Additional Bonds; (c) stating that provisions have been made for the deposit into the Reserve Subaccount for such Series of Additional Bonds, to the extent the Supplemental Indenture requires such a deposit; and (d) containing such additional statements as may be reasonably necessary to show compliance with the requirements of the Indenture;

(v) An executed copy of the amendment to the Sublease; and

(vi) Such further documents, money and securities as are required by the provisions of the Indenture and the Supplemental Indenture providing for the issuance of such Additional Bonds.

### **Validity of Bonds**

The validity of the authorization and issuance of the Bonds is not affected in any way by any proceedings taken with respect to the application of the proceeds of the Bonds, and the recital contained in the Bonds that the same are issued pursuant to the Bond Law is conclusive evidence of their validity and of the regularity of their issuance.

### **Revenues; Flow of Funds**

*Pledge of Revenues; Assignment of Rights.* The Bonds are secured by a first lien on and pledge of all of the Revenues and a pledge of all the moneys in the Lease Revenue Fund (but excluding therefrom moneys in a Reserve Subaccount dedicated to a related Series of Bonds, as provided in the applicable Supplemental Indenture), including all amounts derived from the investments of such moneys. The Bonds are equally secured by a pledge, charge and lien upon the Revenues and such moneys without priority for number, date of the Bonds, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any portion thereof is and are secured by an exclusive pledge, charge and lien upon the Revenues and such moneys. To the extent that a Reserve Subaccount is established with respect to a Series of Bonds, such Series of Bonds is secured by a first lien on and pledge of the moneys in the corresponding Reserve Subaccount. So long as any of the Bonds are Outstanding, the Revenues must not be used for any other purpose; except that out of the Revenues and such moneys there may be apportioned such sums, for such purposes, as are expressly permitted by the Indenture.

*Lease Revenue Fund.* All Base Rental Payments must be deposited by the Trustee in a special fund designated as the "Lease Revenue Fund," which the Trustee establishes, maintains and holds in trust under the Indenture. On or before each Interest Payment Date, the Trustee must

transfer from the Lease Revenue Fund and deposit into the following respective accounts (each of which the Trustee establishes and maintains within the Lease Revenue Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

Interest Account. On or before each Interest Payment Date, the Trustee must deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all Outstanding Bonds. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all Outstanding Bonds on each succeeding Interest Payment Date within the then current Bond Year. All moneys in the Interest Account must be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to the Indenture or the redemption provisions of a Supplemental Indenture).

Principal Account. On or before each Interest Payment Date, the Trustee must deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds maturing or required to be redeemed through mandatory sinking fund redemption on such Interest Payment Date pursuant to the Indenture or pursuant to a Supplemental Indenture, as the case may be. All moneys in the Principal Account must be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds.

Reserve Account. (i) To the extent that the Reserve Requirement for a Series of Bonds is greater than \$0.00 (as specified in the Indenture or a Supplemental Indenture), the Trustee must establish a subaccount within the Reserve Account designated as the "Series \_\_\_ Reserve Subaccount" for such Series of Bonds. On or before each Interest Payment Date, the Trustee must deposit in each Reserve Subaccount such amount as may be necessary to maintain a balance therein equal to the Reserve Requirement for the related Series of Bonds. No deposit need be made in a Reserve Subaccount so long as there is on deposit an amount equal to the Reserve Requirement for the related Series of Bonds. Except as otherwise provided in the Indenture, money in (or available to) a Reserve Subaccount must be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account in such order, in the event of any deficiency at any time in either of such accounts, or for the purpose of paying the interest on or principal of or redemption premiums, if any, on the related Series of Bonds, or for the retirement of all Bonds of such Series then Outstanding. Any amount in a Reserve Subaccount in excess of the Reserve Requirement for the related Series of Bonds must be determined and transferred semiannually to the Interest Account to be applied toward the interest payment of such Series of Bonds, unless otherwise directed by a Request of the City pursuant to the Indenture.

The Reserve Requirement of each Reserve Subaccount may be satisfied by crediting to such Reserve Subaccount moneys or one or more Qualified Reserve Account Credit Instruments or any combination thereof, which in the aggregate make funds available in such Reserve Subaccount in an amount equal to the Reserve Requirement. Upon the deposit with the Trustee of such Qualified Reserve Account Credit Instrument, the Trustee must release moneys then on hand in such Reserve Subaccount to the City, to be used for any lawful purpose, in an amount equal to the face amount of the Qualified Reserve Account Credit Instrument.



Surplus. On or promptly after each Interest Payment Date, Trustee must determine the amount, if any, remaining in the Lease Revenue Fund after making the deposits to the interest Account, the Principal Account and the Reserve Account and the transfers of investment earnings, and notify the City of the amount so determined. The Trustee must apply such amount as a credit against the next following Base Rental Payment (on a pro rata basis among Series of Bonds then Outstanding), unless such surplus exists in a Reserve Subaccount for a particular Series of Bonds, in which case the Trustee applies such amount as a credit against the next following Base Rental Payment for such Series of Bonds; provided that, if directed in a Request of the City, the Trustee must, with respect to all or any portion of such amount: (i) pay, or set an amount aside for the payment of, any rebate requirement in accordance with a computation made by the City pursuant to the Code for the corresponding Series of Bonds (unless the surplus exists in a Reserve Subaccount for a Series of Bonds which is not Tax-exempt, in which case such surplus made be utilized for any rebate requirement for any Series of Bonds); or (iii) release to the City for use for any lawful purpose.

Redemption Fund. To the extent the Authority has provided the Trustee with written notice of its intention to redeem Bonds (or regarding the extraordinary redemption of any other Series of Bonds from Net Proceeds of insurance payments or taking proceedings, or redemption of any other Series of Bonds from the optional prepayment of Base Rental Payments), the Trustee must establish a fund to be held by the Trustee known as the "Redemption Fund." At any time the Trustee receives money from the City pursuant to the Sublease (from Net Proceeds of insurance payments or taking proceedings, or optional prepayment of Base Rental Payments), the Trustee must immediately deposit such money as follows: (i) an amount equal to the interest on the Bonds to be redeemed, accrued to the redemption date must be deposited in the Interest Account; and (ii) the balance of such moneys must be deposited in the Redemption Fund. Amounts on deposit in the Redemption Fund must be applied solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed; provided, however, that at any time prior to giving notice of redemption of any such Bonds, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as directed in writing by the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to the Indenture must be invested by the Trustee solely in Permitted Investments pursuant to the written direction of the Authority given to the Trustee in advance of the making of such investments; which Permitted Investments must, as nearly as practicable, mature (or be subject to redemption or disposition by the Trustee) on or before the dates on which such money is anticipated to be needed for disbursement under the Indenture. In the absence of any such direction from the Authority, the Trustee must hold all moneys uninvested. Obligations purchased as an investment of moneys in any fund or account are deemed to be part of such fund or account.

The Trustee must transfer at least semiannually all investment earnings on amounts in the Principal Account, and the Interest Account to the Lease Revenue Fund. If the balance in a Reserve Subaccount is then at least equal to the Reserve Requirement for the corresponding Series of Bonds, the Trustee immediately must transfer all investment earnings on amounts in such Reserve Subaccount, which are in excess of the Reserve Requirement, to the Lease Revenue Fund. Unless otherwise specified in the Indenture, investment earnings on amounts in all other funds and accounts established and maintained pursuant to the Indenture must be retained in such respective funds and accounts. For purposes of acquiring any investments, the Trustee may commingle funds held by it under the Indenture. The Trustee or an affiliate of the Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its

customary charges therefor. The Trustee must incur no liability for losses arising from any investments made pursuant to the Indenture.

Valuation of Investments. For the purpose of determining the amount in any fund or account, Permitted Investments credited to such fund or account are valued at least annually, on or before June 30, at the fair market value thereof (based on accepted industry standards from accepted industry providers); provided that as to certificates of deposits and banker acceptances, the value thereof equal the face amount, plus accrued interest thereon.

Project Fund. The First Supplemental Indenture establishes the "Project Fund." On the Closing Date for the 2024A Bonds, the Trustee will deposit a portion of the sale proceeds of the 2024A Bonds into the Project Fund pursuant to the First Supplemental Indenture. The Trustee will disburse or transfer amounts from the Project Fund, as stated in a Request of the City, for the payment of costs of the Project. When the Project, or the portions thereof determined by the City to be financed hereunder, have been completed, the Authority will deliver or will cause the City to deliver to the Trustee a Certificate of the City, stating the fact and date of such completion. Following the delivery of such certificate and upon receipt of a Request of the City, the Trustee will transfer amounts then on deposit in the Project Fund to the 2024A Bonds Account of the Lease Revenue Fund.

Grant Proceeds Fund. The Trustee will establish and maintain a separate fund to be known as the "Grant Proceeds Fund." Immediately upon receipt of Grant Proceeds, the City will transfer all such amounts to the Trustee for deposit into the Grant Proceeds Fund. The Trustee will disburse or transfer amounts from the Grant Proceeds Fund, as stated in a Request of the City, for the payment of costs of the Project. When the Project, or the portions thereof determined by the City to be financed with grant proceeds, have been completed, the Authority will deliver or will cause the City to deliver to the Trustee a Certificate of the City, stating the fact and date of such completion. Following the delivery of such certificate and upon receipt of a Request of the City, the Trustee will transfer amounts then on deposit in the Grant Proceeds Fund to the Redemption Fund, and use such amounts to redeem the 2024A Bonds as earliest as practicable, in accordance with the First Supplemental Indenture.

### **Covenants of the Authority**

Punctual Payment. The Authority must punctually pay or cause to be paid the principal, interest and premium (if any) to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in the Indenture.

Extension of Payment of Bonds. The Authority must not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest is extended, such Bonds or claims for interest is not entitled, in case of any default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which have not been so extended. Nothing in this paragraph is deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance is not deemed to constitute an extension of maturity of the Bonds.

Against Encumbrances. The Authority must not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or

assigned under the Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by the Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

*Power to Issue Bonds and Make Pledge and Assignment.* The Authority is duly authorized pursuant to law to issue the Bonds and to enter into the Indenture and to pledge and assign the Revenues, the Lease, the Sublease and other assets purported to be pledged and assigned, respectively, under the Indenture in the manner and to the extent provided in the Indenture. The Bonds and the provisions of the Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee must at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under the Indenture against all claims and demands of all persons whomsoever.

*Accounting Records and Financial Statements.* The Trustee must at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries must be made of all transactions by the Trustee relating to the proceeds of Bonds, the Revenues, the Sublease and all funds and accounts established pursuant to the Indenture. Such books of record and account must be available for inspection by the Authority and the City during regular business hours with reasonable prior notice.

*Additional Obligations.* The Authority covenants that no additional bonds, notes or indebtedness will be issued or incurred that are payable out of the Revenues, except as provided in the Indenture.

*Sublease.* The Trustee, as assignee of the Authority's rights under the Sublease and under the Assignment Agreement, must receive all amounts due from the City pursuant to the Sublease.

The Authority will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Sublease required to be complied with, kept, observed and performed by it and, together with the Trustee, will enforce the Sublease against the City in accordance with its terms.

Except as provided in the Indenture, the Authority will not alter, amend or modify the Sublease without the prior written consent of the Trustee, which consent is given only (i) if the Trustee receives an opinion of Bond Counsel that such alteration, amendment or modification will not result in any material impairment of the security given or intended to be given for the payment of the Base Rental Payments, or (ii) if the Trustee first obtains the written consents of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding to such alteration, amendment or modification. Prior to any amendment or modification of the Sublease, the Trustee may require the Authority to deliver to the Trustee an opinion of Bond Counsel to the effect that such amendment or modification has been adopted in accordance with the requirements of the Indenture.

*Tax Covenants; Rebate Fund.*

The Authority must not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-Exempt status of interest on the Tax-Exempt Bonds under Section 103(a) of the Code or cause interest on any Tax-Exempt Bonds to be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under Section 55 of the Code. In furtherance of the foregoing tax covenant, the

Authority must comply with the provisions of each Tax Certificate, which is incorporated in the Indenture as if fully set forth in the Indenture. These covenants survive payment in full or defeasance of the applicable Series of Tax-Exempt Bonds.

If directed in a Request of the City with respect to any Series of Tax-Exempt Bonds, the Trustee must establish when required and maintain with respect to such Series a fund separate from any other fund or account established and maintained under the Indenture designated as the "Series \_\_\_ Rebate Fund" (hereafter referred to as the "Rebate Fund"). Upon the written direction of the City, there must be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund must be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of the Indenture relating to the pledge of Revenues, the allocation of money in the Lease Revenue Fund, the investments of money in any fund or account and the defeasance of Bonds, all amounts required to be deposited into or on deposit in the Rebate Fund are governed exclusively by these covenants and by the Tax Certificate. The Trustee is deemed conclusively to have complied with such provisions if it follows the Request of the City, and has no liability or responsibility to enforce compliance by the Authority or the City with the terms of the Tax Certificate.

### **The Trustee**

*Appointment of Trustee.* The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, is appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee under the Indenture and to allocate, use and apply the same as provided in the Indenture. The Authority agrees that, so long as any Bonds are Outstanding, it will maintain a Trustee which is (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, or (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets. If such bank, national banking association or trust company or such parent corporation publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then the combined capital and surplus of such bank, national banking association or trust company or such parent corporation is deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is authorized to pay the principal of and interest and redemption premium (if any) on the Bonds when duly presented for payment at maturity, or on redemption prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee must keep accurate records of all funds and accounts administered by it and of all Bonds paid and discharged.

*Acceptance of Trusts.* The Trustee accepts the trusts imposed upon it by the Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

a) The Trustee is not liable for any error of judgment made in good faith by a responsible officer of the Trustee, unless the Trustee was negligent in ascertaining the pertinent facts.

b) Whenever in the administration of the Indenture the Trustee deems it desirable that a matter be proved or established prior to taking, suffering or omitting any action under the

Indenture, the Trustee (unless other evidence is specifically prescribed in the Indenture) may, in the absence of bad faith on its part, rely upon a Certificate of the Authority.

c) The Trustee is under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Owners pursuant to the Indenture, unless such Owners have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

d) The Trustee is not bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, facsimile transmission, electronic mail, order bond or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

e) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture and no covenants of or against the Trustee are implied in the Indenture. In case an Event of Default under the Indenture or under the Sublease has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it by the Indenture and by the Sublease, and must use the same degree of care and skill in the exercise of such rights and powers as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

f) The Trustee may execute any of the trusts or powers under the Indenture and perform the duties required of it under the Indenture either directly or by or through attorneys or agents, and is entitled to advice of counsel concerning all matters of trust and its duty under the Indenture.

g) The Trustee is not responsible for any recital in the Indenture, in the Sublease, or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds or intended to be secured by the Indenture and makes no representation as to the validity or sufficiency of the Bonds, the Indenture or the Sublease. The Trustee is not bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Authority under the Indenture or on the part of the Authority or the City under the Sublease. The Trustee is not responsible for the application by the Authority or the City of the proceeds of the Bonds.

h) The Trustee may become the Owner or pledgee of Bonds with the same rights it would have if not the Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the Authority with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee represents the Owners of the majority in aggregate principal amount of the Bonds then Outstanding.

i) The Trustee may rely and is protected in acting or refraining from acting, in good faith and without negligence, upon any notice, resolution, opinion, report, direction, request, consent, certificate, order, affidavit, letter, telegram, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith and without negligence pursuant to the Indenture or the Sublease upon the request or authority or

consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, is conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee is not bound to recognize any person as an Owner of any Bond or to take any action at such person's request unless the ownership of such Bond by such person is reflected on the Registration Books.

j) The permissive right of the Trustee to do things enumerated in the Indenture or in the Sublease is not construed as a duty and it is not answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee extend to its officers, directors, employees and agents.

k) The Trustee is not required to take notice or deemed to have notice of any Event of Default under the Indenture or under the Sublease except failure by the Authority or the City to make any of the payments to the Trustee required to be made by the Authority or the City pursuant to the Indenture or the Sublease or failure by the Authority or the City to file with the Trustee any document required by the Indenture or the Sublease to be so filed subsequent to the issuance of the Bonds, unless the Trustee is specifically notified in writing of such default by the Authority or by the Owners of at least 25 percent in aggregate principal amount of the Bonds then Outstanding and all notices or other instruments required by the Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default under the Indenture except as aforesaid.

l) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, accountants and representatives, has the right fully to inspect all books, papers and records of the Authority pertaining to the Bonds, and to make copies of any of such books, papers and records which are not privileged by statute or by law.

m) The Trustee is not required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises of the Indenture.

n) The withdrawal of any cash, the release of any property, or any action whatsoever within the purview of the Indenture, the Trustee has the right, but is not required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as deemed desirable for the purpose of establishing the right of the Authority to the execution of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

o) All moneys received by the Trustee must, until used or applied or invested, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

p) Every provision of the Indenture and the Sublease relating to the conduct or affecting the liability of the Trustee is to the terms and conditions of this acceptance of trusts.

q) The Trustee is not considered in breach of or in default with respect to any obligations created under the indenture, in the event of an enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, or of the public enemy, acts of a government, acts of the other party to the Indenture, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market,

litigation or arbitration involving a party or others relating to governmental action or inaction pertaining to the Leased Property, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee; provided, that in the event of any such enforced delay, the Trustee must notify the Authority in writing within five business days after (i) the occurrence of the event giving rise to such delay, (ii) the Trustee's actual knowledge of the impending enforced delay, or (iii) the Trustee's knowledge of sufficient facts under which a reasonable person would conclude the enforced delay will occur.

r) The Trustee has no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

s) The Trustee is not liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct.

t) The Trustee may consult with counsel, who may be Authority or City counsel or other counsel of or to the Authority or City, with regard to legal questions, and the opinion of such counsel are full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance with the Indenture.

Fees, Charges and Expenses of Trustee. The Trustee is entitled to payment and reimbursement for reasonable fees for its services rendered under the Indenture and all advances (with interest on such advances at the maximum rate allowed by law), counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon the occurrence of an Event of Default under the Indenture, but only upon an Event of Default, the Trustee has a first lien with right of payment prior to payment of any Bond upon the amounts held under the Indenture for the foregoing fees, charges and expenses incurred by it.

Notice to Bond Owners of Default. If an Event of Default under the Indenture or under the Sublease occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, then the Trustee must, within 30 days of the receipt of such notice, give written notice thereof by first class mail to the Owner of each such Bond, unless such Event of Default has been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Authority to make any payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bond Owners not to give such notice.

Intervention by Trustee. In any judicial proceeding to which the Authority or the City is a party that, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds, the Trustee may intervene on behalf of such Bond Owners, and must do so if requested in writing by the Owners of at least 25 percent in aggregate principal amount of such Bonds then Outstanding.

Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee and signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds. The Authority may also remove the Trustee at any time upon 30 days' notice, except during the existence of an Event of Default. The Trustee may be removed at any time for any breach of the Trustee's duties set forth in the Indenture.

Resignation by Trustee. The Trustee and any successor Trustee may at any time give written notice of its intention to resign as Trustee. Upon receiving such notice of resignation, the Authority must promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee becomes effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the Authority must cause notice thereof to be given by first class mail, postage prepaid, to the Bond Owners at their respective addresses set forth on the Registration Books.

Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee, the Authority must promptly appoint a successor Trustee. In the event the Authority, for any reason whatsoever, fails to appoint a successor Trustee within 60 days following the delivery to the Trustee of the instrument regarding removal or within 60 days following the receipt of notice by the Authority regarding resignation, the Trustee may, at the expense of the Authority, apply to a court of competent jurisdiction for the appointment of a successor Trustee. Any such successor Trustee appointed by such court becomes the successor Trustee notwithstanding any action by the Authority purporting to appoint a successor Trustee following the expiration of such 60-day period.

### **Modification and Amendment of the Indenture**

Amendment. The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture which becomes binding upon adoption, without consent of any Bond Owner, to the extent permitted by law but only for any one or more of the following purposes:

- a) to add to the covenants and agreements of the Authority contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers reserved to or conferred upon the Authority so long as such limitation or surrender of such rights or powers does not materially adversely affect the Owners of the Bonds;
- b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect or inconsistent provisions contained in the Indenture or in any Supplemental Indenture;
- c) to provide for the issuance of Additional Bonds, to provide the terms and conditions under which such Additional Bonds may be issued; or
- d) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;
- e) to subject to the Indenture additional collateral or to add other agreements of the Authority;
- f) to modify the Indenture or the Bonds to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States of America;
- g) to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes;
- h) to evidence the succession of a new Trustee; or



i) for any other purpose that does not materially adversely affect the rights or interests of the Owners.

Except as set forth in the preceding paragraph, the Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may only be modified or amended at any time by a Supplemental Indenture which becomes binding when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment may (I) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (II) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (III) modify any of the rights or obligations of the Trustee without its written consent thereto.

*Effect of Supplemental Indenture.* From and after the time any Supplemental Indenture becomes effective, the Indenture is deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties to the Indenture or to the Supplemental Indenture and all Owners of Outstanding Bonds, as the case may be, are thereafter determined, exercised and enforced subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture are deemed to be part of the terms and conditions of the Indenture for any and all purposes. Prior to entering into any Supplemental Indenture, the Trustee may require the Authority to deliver to the Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture has been adopted in accordance with the requirements of the Indenture.

*Endorsement or Replacement of Bonds after Amendment.* After the effective date of any action taken as to amend the Indenture as provided above, the Authority may determine that the Bonds must bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of such Owner's Bond for that purpose at the Trust Office of the Trustee, a suitable notation as to such action must be made on such Bond. If the Authority so determines, new Bonds so modified as, in the opinion of the Authority, are necessary to conform to such Bond Owners' action, then new Bond certificates must be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds must be exchanged at the Trust Office of the Trustee, without cost to each Bond Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

### **Events of Default and Remedies of Bond Owners**

*Events of Default.* The following events must be Events of Default under the Indenture:

a) Default in the due and punctual payment of the principal of or premium on any Bond when and as the same becomes due and payable, whether at maturity as therein expressed, or by proceedings for redemption.

b) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment becomes due and payable.

c) Failure by the Authority to observe and perform any of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, other than as referred to in the preceding clauses (i) and (ii), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied has been given to the Authority by the Trustee, or to the

Authority and the Trustee by the Owners of not less than 25 percent in aggregate principal amount of the Outstanding Bonds; provided, however, that if in the reasonable opinion of the Authority, the failure stated in such notice can be corrected, but not within such 30-day period, the Trustee and such Owners may not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Authority within such 30-day period and diligently pursued until such failure is corrected.

d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction approves a petition, filed with or without the consent of the Authority, seeking reorganization under the Federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Authority or of the whole or any substantial part of the Leased Property.

Remedies; No Acceleration. Upon the occurrence of an Event of Default the Trustee has the right but not the obligation except as set forth in the following paragraph:

a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or any member, officer or employee thereof, in order to compel the Authority or any such member, officer or employee to perform and carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him contained in the Indenture;

b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

c) by suit in equity upon the happening of an Event of Default to require the Authority and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default must have occurred and be continuing and if requested so to do by the Owners of at least 25 percent in aggregate principal amount of Outstanding Bonds and indemnified, the Trustee is obligated to exercise such one or more of the rights and powers conferred by the Indenture, as the Trustee, being advised by counsel, deems most expedient in the interests of the Bond Owners.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bond Owners) is intended to be exclusive of any other remedy, but each and every such remedy is cumulative and is in addition to any other remedy given to the Trustee or the Bond Owners or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default may impair any such right or power or may be construed to be a waiver or any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

The Trustee has no right to declare the principal of or interest on the Bonds to be due and payable immediately.

Application of Revenues and Other Funds after Default. Following the declaration of an Event of Default, all amounts then held or received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of the Indenture must be applied by the Trustee,

in the following order upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee, including reasonable compensation to its agents, attorneys and counsel; and

Second, to the payment of the whole amount of interest on and principal of the Bonds then due and unpaid; provided, however, that in the event such amounts are insufficient to pay in full the full amount of such interest and principal, then such amounts must be applied to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, has taken any action, by judicial proceedings or otherwise, pursuant to its duties under the Indenture, whether upon its own discretion or upon the request of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee may not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation and if the Trustee is indemnified. Any suit, action or proceeding which any Owner of Bonds has the right to bring to enforce any right or remedy under the Indenture may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds similarly situated and the Trustee is appointed (and the successive respective Owners of the Bonds by taking and holding the same, are conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners of the Bonds for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

Appointment of Receivers. Upon the occurrence of an Event of Default under the Indenture, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bond Owners under the Indenture, the Trustee is entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged under the Indenture, pending such proceedings, with such powers as the court making such appointment must confer.

Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee or any Bond Owners does not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds to exercise any right or power accruing upon any default may impair any such right or power or be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or Bond Owners by the Bond Law or by the Indenture may be enforced and exercised from time to time and as often as deemed expedient by the Trustee or the Bond Owners, as the case may be.

Rights of Bond Owners. No Owner of any Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Indenture, unless (a) such Owner has previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the

Owners of a majority in aggregate principal amount of all the Bonds then Outstanding have made written request upon the Trustee to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name; (c) said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee has refused or omitted to comply with such request for a period of 60 days after such written request must has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are, in every case, conditions precedent to the exercise by any Owner of Bonds of any remedy under the Indenture; it being understood and intended that no one or more Owners of Bonds has any right in any manner whatever by his or their action to enforce any right under the Indenture, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any provision of the Indenture must be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest and premium (if any) on such Bond as provided in the Indenture or to institute suit for the enforcement of any such payment, is not impaired or affected without the written consent of such Owner.

Termination of Proceedings. In case the Trustee has proceeded to enforce any right under the Indenture by the appointment of a receiver or otherwise, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then and in every such case, the Authority, the Trustee and the Bond Owners must be restored to their former positions and rights under the Indenture, respectively, with regard to the Leased Property, and all rights, remedies and powers of the Trustee must continue as if no such proceedings had been taken.

### **Limited Liability of Authority**

The Authority is not required to advance any moneys derived from any source of income other than the Revenues for the payment of the principal of or interest on the Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants in the Indenture (except to the extent any such covenants are expressly payable from the Revenues or otherwise from amounts payable under the Sublease). The Authority may, however advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring indebtedness.

The Bonds are revenue bonds, payable exclusively from the Revenues and other funds as provided in the Indenture. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the interest and premiums (if any) on or principal of the Bonds. The Owners of the Bonds never have the right to compel the forfeiture of any property of the Authority except the Revenues and other funds pledged to the payment of the Bonds as provided in the Indenture. The principal of and interest on the Bonds, and any premiums upon the redemption of any thereof, are not a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues and other funds pledged to the payment thereof as provided in the Indenture.

### **Discharge of Indenture**

If the Authority pays and discharges any or all of the Outstanding Bonds in any one or more of the following ways:

a) by well and truly paying or causing to be paid the principal of and interest and premiums (if any) on such Bonds, as and when the same become due and payable;

b) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established with the Trustee pursuant to the Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums (if any); or

c) by irrevocably depositing with the Trustee or any other fiduciary, in trust, Defeasance Securities in such amount as an Independent Certified Public Accountant (defined below) determines in a written report filed with the Trustee (upon which report the Trustee may conclusively rely) will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established with the Trustee pursuant to the Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates; and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been sent or provision satisfactory to the Trustee has been made for the sending of such notice, then, at the Request of the Authority, and notwithstanding that any of such Bonds have been surrendered for payment, the pledge of the Revenues and other funds provided for in the Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under the Indenture with respect to all such Bonds, cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all amounts due the Trustee. Any funds held by the Trustee following any payment or discharge of the Outstanding Bonds, which are not required for said purposes, must after payment of amounts due the Trustee be paid over to the Authority.

### **Payment on Business Days**

Whenever any amount is required to be paid on a day that is not a Business Day, such payment must be made, without accruing additional interest thereby, on the Business Day immediately following such day.

### **Unclaimed Moneys**

Any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds that remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, must be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee is thereupon released and discharged with respect thereto and the Bond Owners must look only to the Authority for the payment of such Bonds; provided, however, that before being required to make any such payment to the Authority, the Trustee must, at the expense of the Authority, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date may not be less than 30 days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

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## APPENDIX D

### DTC'S BOOK-ENTRY ONLY SYSTEM

*The information in this Appendix D concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC. The Authority and the City take no responsibility for the completeness or accuracy thereof. The City and the Authority cannot give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners: (i) payments of interest, principal or premium, if any, with respect to the Bonds, (ii) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis without error, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written

confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all of the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered in accordance with the provisions of the Indenture.



**APPENDIX E**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the “**Disclosure Agreement**”), dated as of March 1, 2024 is executed and delivered by the City of Agoura Hills, California (the “**City**”) and Digital Assurance Certification LLC, as dissemination agent (the “**Dissemination Agent**”) in connection with the issuance by the Agoura Hills Improvement Authority (the “**Authority**”) of its \$12,325,000 aggregate principal amount of Lease Revenue Bonds, Series 2024A (the “**2024A Bonds**”) and \$2,575,000 aggregate principal amount of Lease Revenue Refunding Bonds, Series 2024B (the “**2024B Bonds**” and together with the 2024A Bonds, the “**Bonds**”). The Bonds are being issued pursuant to an Indenture, dated as of November 1, 2016, as supplemented by a First Supplemental Indenture, dated as of March 1, 2024 (collectively, the “**Indenture**”), each by and between the City and U.S. Bank Trust Company, National Association (the “**Trustee**”), as successor trustee to the Bank of New York Mellon Trust Company, N.A. The City and the Dissemination Agent covenant and agree as follows:

Section 1.     Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2.     Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Dissemination Agent**” shall mean Digital Assurance Certification LLC, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“**Financial Obligation**” shall mean a: (A) Debt obligation; (B) Derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) Guarantee of any financial obligation outlined in the foregoing (A) or (B). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board.

**“Obligated Person”** shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

**“Official Statement”** shall mean the final Official Statement, dated February 22, 2024, relating to the Bonds.

**“Participating Underwriter”** shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

**“Rule”** shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than March 1 after the end of the City’s fiscal year of each year, commencing March 1, 2025 with the report for the 2023-2024 fiscal year, provide to the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder.

If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall promptly send a notice to the MSRB, in an electronic format as prescribed by the MSRB.

(c) The Dissemination Agent (if other than the City) shall, if and to the extent, the City has provided an Annual Report in final form to the Dissemination Agent for

dissemination, file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the City prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding subsection (a) by the date required by Section 3 hereof, the following information:

1) The principal amount of Bonds outstanding as of June 2 preceding the filing of the Annual Report.

2) The tabular financial information and operating data contained in the Official Statement under the following section headings presented on an annual basis, for the subject Fiscal Year:

- (i) Table 8, General Fund Budget Summary;
- (ii) Table 9, General Fund Balance Sheets;
- (iii) Table 10, Statements of Revenues, Expenditures and Changes in General Fund Balance;
- (iv) Table 11, Property Tax, Sales Tax, and Transient Occupancy Tax Revenues;
- (v) Table 13, Assessed Values of All Taxable Property; and
- (vi) Table 14, Top Ten Taxpayers Based on Local Secured Assessed Value.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds, which notice shall be given in a timely manner, not in excess of ten (10) business days after the occurrence of such Listed Event:

- 1) Principal and interest payment delinquencies;
- 2) Non-payment related defaults, if material;
- 3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- 4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- 5) Substitution of credit or liquidity providers, or their failure to perform;
- 6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- 7) Modifications to rights of security holders, if material;
- 8) Bond calls, if material, and tender offers;
- 9) Defeasances;
- 10) Release, substitution, or sale of property securing repayment of the securities, if material;
- 11) Rating changes;
- 12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- 13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(b) The Dissemination Agent is under no obligation to determine if a Listed Event has occurred. However, if the Dissemination Agent obtains knowledge of the occurrence of any of the events listed in Section 5(a) (1), (3), (4), (5), (6), (9), (11), (12) or (16), the Dissemination agent shall, within one (1) business day after obtaining knowledge of such event, inform the City of the occurrence of such event within one (1) business day. As soon as reasonably practicable after obtaining knowledge of the occurrence of such event, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, a notice of such occurrence with the MSRB.

(c) If the Dissemination Agent obtains knowledge of the occurrence of any of the events listed in Section 5(a) (2), (7), (8), (10), (13), (14), or (15), the Dissemination Agent shall, within one (1) business day after obtaining knowledge of such event, inform the City of the occurrence of such event and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d).

(d) Whenever the City obtains knowledge of the occurrence of any event specified in Section 5(a) (2), (7), (8), (10), (13), (14) or (15), the City shall as soon as possible, in order to meet the ten (10) business day deadline to file notices required under the Rule and pursuant to the following sentence, determine if such event would be material under applicable Federal securities law. If the City determines that knowledge of the occurrence of such event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 7. Dissemination Agent.

(a) The City hereby appoints and engages Digital Assurance Certification LLC as the Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. The City may replace the Dissemination Agent with or without cause. If at the time there is no designated Dissemination Agent appointed by the City, the City shall be the Dissemination Agent and undertake or assume its obligations hereunder.

Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act. The Dissemination Agent may resign its duties hereunder by giving 30-days written notice to the City.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees agreed to between the Dissemination Agent and the City from time to time and for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, holders or beneficial owners of the Bonds or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of bond counsel.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an Obligated Person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b).

No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent. The Dissemination Agent may rely conclusively on any opinion of bond counsel delivered pursuant to the provisions of this Section 8, and shall have no duty to determine or liability for failing to determine whether any amendment made pursuant to this Section 8 is consistent with guidance provided by the Securities and Exchange Commission with regard to permitted amendments, or the manner of effecting such amendments, under the Rule.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in

the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the MSRB, or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of bond counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Agreement. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach of this Agreement.

Section 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the City: City of Agoura Hills  
30001 Ladyface Court  
Agoura Hills, California 91301  
Attention: City Manager  
Fax: (818) 597-7352

To the Dissemination Agent: Digital Assurance Certification LLC  
315 E. Robinson Street, Suite 300  
Orlando, Florida 32801  
Attention: Sharon Stringfellow,  
Assistant Vice President-Client Service Manager  
Phone: 407-515-1100  
Fax: 407-515-6513  
E-mail: sharon@dacbond.com



Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first written above.

CITY OF AGOURA HILLS

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Nathan Hamburger  
City Manager

DIGITAL ASSURANCE CERTIFICATION LLC  
as Dissemination Agent

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Sharon Stringfellow  
Assistant Vice President-Client Service Manager



