

CITY OF AGOURA HILLS

Annual Financial Report

(With Independent Auditor's Report Thereon)

For the Year Ended June 30, 2007

CITY OF AGOURA HILLS
Annual Financial Report
June 30, 2007

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November 7, 2007

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

Independent Auditors' Report

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, (City) as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Agoura Hills' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Agoura Hills, California, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2007 on our consideration of the City of Agoura Hills internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The required supplementary information identified in the accompanying table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The City has not presented the management discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not a required part of, the basic financial statements.

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

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BASIC FINANCIAL STATEMENTS

CITY OF AGOURA HILLS
Statement of Net Assets
June 30, 2007

<u>Assets</u>	<u>Governmental Activities</u>
Cash and investments	\$ 27,741,176
Receivables:	
Accounts and taxes	474,098
Interest	357,384
Deferred loans	256,925
Due from other governments	3,400,522
Other	1,100
Prepays	71,069
Deferred charges	316,397
Investment in Joint Venture - Community Center	2,419,227
Capital assets, not being depreciated	30,793,534
Capital assets, being depreciated net	<u>27,429,449</u>
 Total Assets	 <u>93,260,881</u>
 <u>Liabilities</u>	
Accounts payable and accrued liabilities	2,084,517
Noncurrent Liabilities:	
Unearned revenue	60,000
Due within one year	230,000
Due in more than one year	<u>11,654,829</u>
 Total Liabilities	 <u>14,029,346</u>
 <u>Net Assets</u>	
Invested in capital assets, net of related debt	46,162,983
Restricted for:	
Special projects	3,500,346
Low/moderate income housing	3,048,260
Inclusionary housing in lieu	1,879,173
Unrestricted	<u>24,640,773</u>
 Total Net Assets	 <u>\$ 79,231,535</u>

See Accompanying Notes to Financial Statements.

CITY OF AGOURA HILLS
Statement of Activities
For the Year Ended June 30, 2007

		Program Revenues			Net (Expense) Revenue and Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<u>Functions/Programs:</u>					
Governmental Activities:					
General government	\$ 2,955,695	\$ 5,465		\$ 280,000	\$ (2,670,230)
Public safety	2,917,439	221,310	\$ 129,950		(2,566,179)
Public works	3,261,861	2,917,161	665,359	909,144	1,229,803
Community development	1,424,676		34,729		(1,389,947)
Transportation			2,398,365		2,398,365
Pass through to other agencies	2,721,575				(2,721,575)
Community services	1,348,155	331,778			(1,016,377)
Interest and fiscal charges	245,668				(245,668)
Total Primary Government	\$ 14,875,069	\$ 3,475,714	\$ 3,228,403	\$ 1,189,144	(6,981,808)
General revenues:					
					14,159,127
					145,874
					1,487,500
					328,538
					16,121,039
					9,139,231
					70,092,304
					\$ 79,231,535

See Accompanying Notes to Financial Statements.

CITY OF AGOURA HILLS
Balance Sheet
Governmental Funds
June 30, 2007

<u>Assets</u>	<u>General</u>	Special Revenue	
		Traffic Improvement	Other Grants
Cash and investments	\$ 6,798,256	\$ 5,860,354	
Receivables:			
Accounts	474,098		
Interest	112,381	112,918	
Deferred loans			
Due from other governments	565,814	2,822	\$ 2,208,933
Other	1,100		
Due from other funds	5,092,285		
Prepays	71,069		
	<u>\$ 13,115,003</u>	<u>\$ 5,976,094</u>	<u>\$ 2,208,933</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable and accrued expenditures	\$ 940,585		\$ 23,297
Due to other funds			5,046,245
Deferred revenue			2,205,844
	<u>940,585</u>	<u></u>	<u>7,275,386</u>
Fund Balance:			
Reserved:			
Reserved for prepaids	71,069		
Reserved for low/moderate income housing			
Reserved for inclusionary housing in lieu			
Reserved for Reyes Adobe interchange project			
	<u>71,069</u>	<u></u>	<u></u>
Unreserved, reported in:			
General fund	12,103,349		
Special revenue funds		\$ 5,976,094	(5,066,453)
Capital projects funds			
Debt service fund			
	<u>12,103,349</u>	<u>5,976,094</u>	<u>(5,066,453)</u>
Total Unreserved	12,103,349	5,976,094	(5,066,453)
Total Fund Balance (Deficit)	<u>12,174,418</u>	<u>5,976,094</u>	<u>(5,066,453)</u>
Total Liabilities and Fund Balance	<u>\$ 13,115,003</u>	<u>\$ 5,976,094</u>	<u>\$ 2,208,933</u>

See Accompanying Notes to Financial Statements.

<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<u>Redevelopment</u>		
\$ 2,227,942	\$ 12,854,624	\$ 27,741,176
		474,098
	132,085	357,384
	256,925	256,925
216,024	406,929	3,400,522
		1,100
		5,092,285
		71,069
<u>\$ 2,443,966</u>	<u>\$ 13,650,563</u>	<u>\$ 37,394,559</u>
\$ 948,578	\$ 172,057	\$ 2,084,517
	46,040	5,092,285
	170,035	2,375,879
<u>948,578</u>	<u>388,132</u>	<u>9,552,681</u>
		71,069
	3,048,260	3,048,260
	1,879,173	1,879,173
	2,521,550	2,521,550
	<u>7,448,983</u>	<u>7,520,052</u>
		12,103,349
	2,590,705	3,500,346
1,495,388	3,118,126	4,613,514
	104,617	104,617
<u>1,495,388</u>	<u>5,813,448</u>	<u>20,321,826</u>
<u>1,495,388</u>	<u>13,262,431</u>	<u>27,841,878</u>
<u>\$ 2,443,966</u>	<u>\$ 13,650,563</u>	<u>\$ 37,394,559</u>

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CITY OF AGOURA HILLS
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2007

Fund balance of governmental funds	\$ 27,841,878
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	58,222,983
Investment in Joint Venture Community Center represents interest only in capital assets of the joint venture rather than a financial asset and, therefore, is not reported in the funds.	2,419,227
The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term liabilities and related items.	(11,568,432)
Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements.	<u>2,315,879</u>
Net Assets of Governmental Activities	<u><u>\$ 79,231,535</u></u>

See Accompanying Notes to Financial Statements.

CITY OF AGOURA HILLS
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2007

	General	Special Revenue	
		Traffic Improvement	Other Grants
Revenues:			
Taxes	\$ 10,206,306		
Licenses and permits	509,804		
Intergovernmental revenues	179,056	\$ 1,267,010	\$ 53,302
Charges for services	853,615	1,850,799	
Fines and penalties	78,688		
Use of money and property	622,878	385,325	735
Other revenues	92,687		185,000
Total Revenues	12,543,034	3,503,134	239,037
Expenditures:			
Current:			
General government	2,612,175		29,950
Pass through to other agencies			
Public safety	2,784,490		13,778
Community development	893,632		10,310
Community services	1,088,239		
Public works	1,836,178		
Debt service:			
Cost of issuance			
Interest and fiscal charges			
Capital outlay	1,168,241		5,251,452
Total Expenditures	10,382,955		5,305,490
Excess (Deficiency) of Revenues Over Expenditures	2,160,079	3,503,134	(5,066,453)
Other Financing Sources (Uses)			
Transfers in		1,000,000	
Transfers out	(2,525,549)	(3,129,141)	
Refunding bonds issued			
Discount			
Advance refunding escrow			
Total Other Financing Sources (Uses)	(2,525,549)	(2,129,141)	
Net Change in Fund Balance	(365,470)	1,373,993	(5,066,453)
Fund Balance (Deficit), Beginning of Year	12,539,888	4,602,101	
Fund Balance (Deficit), End of Year	\$ 12,174,418	\$ 5,976,094	\$ (5,066,453)

See Accompanying Notes to Financial Statements.

<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Redevelopment</u>		
\$ 3,952,821		\$ 14,159,127
		509,804
	\$ 1,425,218	2,924,586
	438,727	3,143,141
	142,622	221,310
9,413	490,698	1,509,049
	84,361	362,048
<u>3,962,234</u>	<u>2,581,626</u>	<u>22,829,065</u>
	52,637	2,694,762
2,721,575		2,721,575
	119,171	2,917,439
298,062	207,761	1,409,765
	231,908	1,320,147
23,407	767,601	2,627,186
	331,308	331,308
	226,635	226,635
3,566,922	1,110,779	11,097,394
<u>6,609,966</u>	<u>3,047,800</u>	<u>25,346,211</u>
<u>(2,647,732)</u>	<u>(466,174)</u>	<u>(2,517,146)</u>
3,654,690	1,790,564	6,445,254
(790,564)		(6,445,254)
	12,060,000	12,060,000
	(67,013)	(67,013)
	<u>(9,161,711)</u>	<u>(9,161,711)</u>
<u>2,864,126</u>	<u>4,621,840</u>	<u>2,831,276</u>
216,394	4,155,666	314,130
1,278,994	9,106,765	27,527,748
<u>\$ 1,495,388</u>	<u>\$ 13,262,431</u>	<u>\$ 27,841,878</u>

CITY OF AGOURA HILLS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2007

Net change in fund balances - total governmental funds \$ 314,130

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Net additions (deletions)		
in capital assets	\$ 12,049,463	
Depreciation expense	<u>(1,801,804)</u>	
		10,247,659

Share of expenses for Joint Venture in Community Center is not recorded as a financial expenditure, rather it is recorded in the statement of activities as an expense.	223,739
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Issuance of long-term debt including capital advances, compensated absences and leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources in governmental funds. Neither transaction has any effect on net assets.

Advance refunding escrow	\$ 9,161,711	
Refunding bonds issued	(12,060,000)	
Capital lease retirement	10,377	
Deferred charges	316,397	
Deferral on refunding amortization	(15,987)	
and discount	63,967	
Change in compensated absences	<u>(31,906)</u>	
		(2,555,441)

Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements.	<u>909,144</u>
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Change on Net Assets of Governmental Activities	<u><u>\$ 9,139,231</u></u>
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See Accompanying Notes to Financial Statements.

CITY OF AGOURA HILLS
Statement of Fiduciary Net Assets
Agency Fund
June 30, 2007

Assets

Cash and Investments	<u>\$ 1,775,641</u>
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Liabilities

Deposits Payable	<u>\$ 1,775,641</u>
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See Accompanying Notes to Financial Statements.

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CITY OF AGOURA HILLS
Notes to Financial Statements
June 30, 2007

I. 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 principals, 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 so data from these units are combined with data of the City of Agoura Hills, the primary government. Each component unit has a June 30 year end.

Blended Component Units

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

The Agoura Hills Redevelopment Agency (Agency) was established March 9, 1988 pursuant to the laws of the State of California Health and Safety Code, Section 33000 et. seq., and is a separate governmental entity. The elected City Council serves as board members for the Agency. The primary purpose of the Agency is to address blighting conditions that exist within the City's freeway and roadside commercial corridor. The area is suffering from physical blight and economic disuse arising from poor and inadequate planning, street layout and street access. Improvements are necessary to increase economic growth in the City.

On November 9, 1994, the Redevelopment Agency adopted its Redevelopment Plan. Pass-through agreements with all of the underlying taxing entities were completed by June 30, 1994. No new pass-through agreements were approved during fiscal year 2006-2007. Complete financial statements for the Agoura Hills Redevelopment Agency can be obtained from the Finance Department at:

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

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

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. No financial activity is reported as the Corporation is not active.

The Agoura Hills Public Financing Authority (Authority) was organized in April 2001 under a joint exercise of power agreement to provide financing for public capital improvements for the City and the Agoura Hills Redevelopment Agency. The members of the City Council act as the governing board of the Financing Authority. The Authority's financial activity is reported in a debt service and capital projects fund. The 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 assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from these statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

the City gives (or receives) value without directly receiving (or giving) equal value in exchange, including property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grant, entitlements and donations is recognized in the fiscal year from which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. 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, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current 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 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 Traffic Improvement Special Revenue Fund is used to account for traffic improvement and arterial street system fees paid by developers which may only be used for constructing traffic impacted arterial streets.

The Other Grants Special Revenue Fund is used to account for various state grant funds received for street improvements and park development.

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

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

Additionally, the City reports the following fund types:

Governmental Funds:

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

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs, other than capitalized leases and compensated absences, which are paid from the governmental funds.

The Capital Projects Funds are used to account for financial resources used for the acquisition and construction of major capital facilities.

Fiduciary Fund:

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

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

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

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.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The City's cash and investments are cash on hand, demand deposits and the State of California Local Agency Investment Fund. Investments are stated at fair value (the value at which a financial instrument could be exchanged, other than in a forced or

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

liquidation sale).

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 combined balance sheet as Cash and Investments. Interest earned on pooled cash and investments is distributed quarterly to each fund based upon each funds proportionate share of the pool.

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

2. Receivables and Payables

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

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

3. Prepays

Certain membership dues and payments to vendors represent expenses that apply to future accounting periods.

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

4. Capital Assets

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

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

Capitalization of capital assets shall be based on the following with a minimum value as follows:

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

5. Vacation and Compensatory Time (Compensated Absences)

The City records compensated absences (unpaid vacation, management leave, holiday comp, and compensatory time) in governmental funds as expenditures in the year paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. Accordingly, the entire unpaid liability for governmental funds at June 30, 2007 is recorded as a long-term liability.

6. Long-term Obligations

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

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The City is required to adopt an annual budget resolution for the General Fund and Special Revenue Funds. Generally annual budgets are not adopted for the Capital Projects Funds and the Debt Service Fund. All annual appropriations lapse at year end.

The budget is prepared by fund, function and activity, and includes actual information for the past year, current year estimates and requested appropriations for the next fiscal year. The budget is a statement of the goals and objectives of the City for that fiscal year. The budget provides management control at the functional departmental level. The City Manager may authorize the transfer of funds within the same department. 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.

B. Excess of Expenditures over Appropriations and Fund Balance Deficit

For the year ended June 30, 2007, certain General Fund departments/functions expenditures, Redevelopment Capital Projects Fund expenditures, and total Public Transit Special Revenue Fund exceeded final budget estimates.

	<u>Final Budget</u>	<u>Expenditures</u>	<u>Expenditures Over Budget</u>
General Fund Department/Function:			
General government			
City council	\$ 96,048	\$ 98,102	\$ 2,054
City attorney	285,000	310,855	25,855
Public facilities	265,500	283,817	18,317
Automated office systems	210,864	226,608	15,744
Nonmajor Funds:			
Redevelopment Capital Projects Fund	1,650,790	2,721,575	1,070,785
Public Transit Special Revenue Fund	520,688	527,788	7,100

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

C. Deficit Fund Balances

The following funds had deficit fund balances at June 30, 2007:

Major Governmental Fund:	
Other Grants	\$ 5,066,453
Nonmajor Governmental Fund:	
Community Development Block Grant	46,790

These deficits are expected to be eliminated with future revenues, including reimbursements from federal agencies.

III. Detailed Notes on all Funds

A. Cash and Investments

Cash and investments at June 30, 2007 consisted of the following:

Demand accounts (bank balances)	\$ 1,626,976
Add deposits in transit	3,696
Less outstanding checks	<u>(1,291,155)</u>
Book Balance	339,517
Petty cash	<u>800</u>
Total Deposits and Petty Cash	<u>340,317</u>
Investments	
State of California Local Agency Investment Fund	24,654,950
Federal Home Loan/Bank bonds	2,000,000
Investment with fiscal agent	<u>2,521,550</u>
Total Investments	<u>29,176,500</u>
Total Cash and Investments	<u><u>\$ 29,516,817</u></u>

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

The City's investment policy authorizes investment in all investments authorized under provisions of California Government Code Section 53601.

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

Investments Authorized by Debt Agreements:

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</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 Bankers' Acceptance	30 days	None	None
FDIC Insured bank deposits	None	None	None
Commercial Paper	270 days	None	None
Money Market Funds	N/A	None	None
State Obligations	None	None	None
Pre-funded Municipal Obligations	None	None	None
Repurchase Agreements	270 days	None	None
Investment Agreements	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. 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 the LAIF investment pool is approximately 5.8 months.

<u>Investment Types</u>	<u>Remaining Maturity</u>
	<u>Less than 1 Year</u>
Federal Agency Security	\$ 2,000,000
Held by Bond Trustee:	
US Treasury Obligation	2,521,550

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

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. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk:

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5% or more of the City's investments are as follows:

Issuer Name	Investment Type	Reported Amount
Federal Home Loan/Bank bonds Held by Bond Trustee:	Federal Agency Security	\$ 2,000,000
US Treasury	US Treasury Obligations	2,521,550

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

None of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

Investment in State Investment Pool:

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The book value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

B. Capital Assets

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

A summary of changes in capital asset activity for the year ended June 30, 2007 is as follows:

<u>Governmental Activities:</u>	<u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2007</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 6,732,663			\$ 6,732,663
Construction in progress	13,241,708	\$ 10,819,163		24,060,871
Total Capital Assets, Not Being Depreciated	<u>19,974,371</u>	<u>10,819,163</u>		<u>30,793,534</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	9,488,349	350,870		9,839,219
Leased equipment	54,870			54,870
Vehicles	248,743	25,465	\$ (27,360)	246,848
Infrastructure	53,459,971	857,875		54,317,846
Total Capital Assets, Being Depreciated	<u>63,251,933</u>	<u>1,234,210</u>	<u>(27,360)</u>	<u>64,458,783</u>
Less: Accumulated Depreciation For:				
Buildings and improvements	724,829	189,767		914,596
Leased equipment	43,896	10,974		54,870
Vehicles	125,987	24,667	(23,450)	127,203
Infrastructure	34,356,268	1,576,397		35,932,665
Total Accumulated Depreciation	<u>35,250,980</u>	<u>1,801,804</u>	<u>(23,450)</u>	<u>37,029,334</u>
Total Capital Assets, Being Depreciated	<u>28,000,953</u>	<u>(567,594)</u>	<u>(3,910)</u>	<u>27,429,449</u>
Governmental Activities Capital Assets	<u>\$ 47,975,324</u>	<u>\$ 10,251,569</u>	<u>\$ (3,910)</u>	<u>\$ 58,222,983</u>

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

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

Governmental Activities:	
General government	\$ 183,143
Public works	1,590,653
Parks and recreation	<u>28,008</u>
Total Depreciation Expense- Governmental Activities	<u><u>\$ 1,801,804</u></u>

C. Interfund Receivables, Payables and Transfers

Due to/Due from

	<u>Due To</u>
	<u>General</u>
	<u>Fund</u>
Due From:	
Other Grants Fund	\$ 5,046,245
Nonmajor Governmental Funds:	
Community Development Block Grant Fund	<u>46,040</u>
Total	<u><u>\$ 5,092,285</u></u>

The general fund made loans to other funds to cover the negative cash balance in these funds.

Interfund transfers

	Transfers In			Totals
	Traffic Improvement Fund	Redevelopment Fund	Nonmajor Governmental Funds	
Transfers Out				
General Fund	\$ 1,000,000	\$ 25,249	\$ 1,000,000	\$ 2,025,249
Redevelopment Fund			790,564	790,564
Traffic Improvement Fund		<u>3,129,141</u>		<u>3,129,141</u>
Totals	<u><u>\$ 1,000,000</u></u>	<u><u>\$ 3,154,390</u></u>	<u><u>\$ 1,790,564</u></u>	<u><u>\$ 5,944,954</u></u>

The purpose of transfers in and transfers out is to finance various programs or capital projects in accordance with budgetary authorizations. The transfer from the City to the Redevelopment Fund represents the City's financial support of Agency costs.

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

Long-term liability activity for the year ended June 30, 2007 was as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due within one year
Governmental Activities:					
Capital Lease Obligation -					
Office Equipment	\$ 10,377		\$ 10,377		
2007 Lease Revenue					
Refunding Bonds		\$ 12,060,000		\$ 12,060,000	\$ 230,000
Bond Discount		(67,013)	3,046	(63,967)	
Deferral on Refunding		(351,711)	15,987	(335,724)	
1999 Lease Revenue Bonds	8,810,000		8,810,000		
Accrued Compensated Absences	192,614	31,906		224,520	
Total Governmental					
Long-term Liabilities	<u>\$ 9,012,991</u>	<u>\$ 11,673,182</u>	<u>\$ 8,839,410</u>	<u>\$ 11,884,829</u>	<u>\$ 230,000</u>

2007 Lease Revenue Refunding Bonds

On March 1, 2007, the City issued \$12.6 million in Lease Revenue Refunding Bonds with interest rates ranging from 3.875% to 4.375% to advance refund \$8.8 million of 1999 Lease Revenue outstanding bonds. The net proceeds of \$2.5 million (after payment of \$0.76 million in underwriting fees, insurance, and other issuance costs) were used to purchase US Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1999 Lease Revenue Bonds. As a result, the 1999 Lease Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$0.4 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2037 using the straight-line method. The City completed the advance refunding to reduce its total debt service payments over the next 30 years by \$3.25 million.

Employee Compensated Absences Payable

The City's policies relating to compensated absences are described in Note I.D.5. This liability will be paid in future years from future resources.

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

The annual requirements for long-term debt of the City's Governmental activities excluding compensated absences are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Lease Revenue Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 230,000	\$ 506,031
2009	165,000	498,131
2010	175,000	491,331
2011	180,000	484,231
2012	185,000	476,931
2013-2017	1,055,000	2,264,256
2018-2022	1,275,000	2,033,836
2023-2027	1,560,000	1,746,141
2028-2032	1,915,000	1,378,316
2033-2037	2,375,000	912,734
2038-2042	2,945,000	333,047
Total Debt Service Payments	<u>\$ 12,060,000</u>	<u>\$ 11,124,985</u>

E. Reserved Fund Balances

Reservations of fund balances represent amounts that are not appropriable or are legally segregated for a specific purpose.

Reserved fund balances at June 30, 2007 are as follows:

	General Fund	Nonmajor Capital Projects Funds	Total
Reserved for:			
Prepays	\$ 71,069		\$ 71,069
Low/moderate income housing		\$ 3,048,260	3,048,260
Inclusionary housing in lieu		1,879,173	1,879,173
Reyes Adobe interchange project		2,521,550	2,521,550
Total Reserved Fund Balance	<u>\$ 71,069</u>	<u>\$ 7,448,983</u>	<u>\$ 7,520,052</u>

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

IV. Other Information

A. Defined Benefit Pension Plan

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

Funding Policy: Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of the City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 10.87% of annual covered payroll for non-safety employees. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost: For the year ended June 30, 2007, the City's annual pension cost of \$430,947 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increase that vary by duration of service, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smooth market value). PERS unfunded actuarial accrued liabilities is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2007 was 17 years for remaining unfunded.

TREND INFORMATION FOR PERS

Schedule of Employer Contributions (\$ Amount in Thousands)

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/05	\$ 293	100	\$ -0-
6/30/06	392	100	-0-
6/30/07	431	100	-0-

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

B. Self-Insurance and Contingent Liabilities

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

The City of Agoura Hills is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 114 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

2. Self-Insurance Programs of the Authority

General Liability – Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member's primary deposit; costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000. Losses from \$750,000 to \$10,000,000, \$18,000,000 to \$23,000,000, and \$45,000,000 to \$50,000,000 and the associated loss development reserves are pooled based on payroll. Costs of covered claims from \$10,000,000 to \$18,000,000 and \$23,000,000 to \$45,000,000 are currently paid by excess insurance. Costs of covered claims for subsidence losses from \$15,000,000 to \$25,000,000 are paid by excess insurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate. Administrative expenses are paid from the Authority's investment earnings.

Workers' Compensation – The City of Agoura Hills also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Each member has a retention level of \$50,000 for each loss and this is charged directly to the member's primary deposit. Losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000. Losses from \$100,000 to \$2,000,000 and loss development reserves associated with those losses are pooled based on payroll. Losses from \$2,000,000 to \$5,000,000 are pooled with California State Association of Counties – Excess Insurance Authority members. Costs from \$2,000,000

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

to \$200,000,000 are transferred to reinsurance carriers. Costs in excess of \$200,000,000 are pooled among the Members based on payroll. Protection is provided per statutory liability under California Workers' Compensation law. Administrative expenses are paid from the Authority's investment earnings.

3. Purchased Insurance

Environmental Insurance – The City of Agoura Hills participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Agoura Hills. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2005 through July 1, 2008. Each member of the Authority has a \$10,000,000 limit during the 3-year term of the policy.

Property Insurance – The City of Agoura Hills participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Agoura Hills property is currently insured according to a schedule of covered property submitted by the City of Agoura Hills to the Authority. Total all-risk property insurance coverage is \$14,115,551. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Earthquake and Flood Insurance – The City of Agoura Hills purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. The City of Agoura Hills property currently has earthquake protection in the amount of \$0. There is a deductible of 5% of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Crime Insurance – The City of Agoura Hills purchases crime insurance coverage in the amount of \$1,000,000 with \$2,500 deductible your agency may purchase higher limits and/or have higher deductible. Please check your policy to ensure correct information is included. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

4. Adequacy of Protection

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

5. Health Insurance

Health coverage is provided for all qualified full time employees by the Public Employees' Retirement System (PERS).

6. Other Post-Retirement Health Care Benefits

In addition to the pension benefits defined in Note IV.A, the City provides post-retirement health care benefits to all full time employees in accordance with the City's contract with the Public Employees' Retirement System (PERS) for participation in the State of California Public Employees' Medical and Hospital Care Act. The City's contribution for each retiree is the same as full time employees. These benefits will be financed on a "pay as you go basis." As of June 30, 2007, there were seven retired employees. The City expended \$51,186 for retiree health insurance during the fiscal year ended June 30, 2007.

C. Commitments/Operating Leases

1. The City has executed a ground lease with Saint Paul's Lutheran Church for a recreation facility site. This lease expires in fiscal year ending 2011 with an option to extend for an additional 5 year period.

The following schedule lists future minimum lease payments for the recreation facility ground lease commitment:

Year Ending June 30	Recreation Center
2008	\$ 20,612
2009	20,612
2010	21,230
2011	21,230
Total Lease Payments	\$ 83,684

2. The City contracts with the Los Angeles County Department of Public Works and Sheriff's Department to provide certain municipal services. During the year ended June 30, 2007, the City incurred expenditures of approximately \$181,399 and \$2,840,557 for Public Works and Public Safety services, respectively.

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

D. Joint Venture

On November 24, 1997, the Agoura Hills and Calabasas Community Center Authority (Authority) was created under a joint exercise of powers agreement. It was formed for the construction, furnishing, maintenance and operation of a Joint Recreation Center. The governing Board of Directors consists of one City Council Member from each City, two residents of each City appointed by City Council, and the President or a member of the Executive Board of the Alliance (a non profit organization formed for the sole purpose of raising funds for the Center). The City's participation in the joint venture is reported as Investment in Joint Venture, on the statement of net assets. The balance at June 30, 2007 was \$2,419,227.

Each City contributed money towards the construction of the Community Center, which was completed in March 2001. The Authority now oversees the operations and maintenance of the Community Center. The Cities of Agoura Hills and Calabasas will equally share in any profit or loss from operation of the Community Center. Authority financial statements are not available for the fiscal year ended June 30, 2007.

E. Housing Rehabilitation Loan Program

During the year the City participated in a housing rehabilitation loan program through the County of Los Angeles, administered with CDBG funds. The loan program offers qualified applicants a \$5,000 grant award and loan amount up to \$20,000 which is due to the City upon the sale or refinancing of the property. As of June 30, 2007, the City has outstanding loans in the amount of \$145,439. The City does not record these loans as loans receivable because the City owes the money back to the County when received. During the fiscal year ending June 30, 2007 the City had new loans in the amount of \$39,975.

F. Redevelopment Set-Aside Loans

During the year the Redevelopment Agency participated in a housing rehabilitation loan program, and a first time home buyer program, with Redevelopment Set-Aside funds. The housing rehabilitation loan program offers qualified applicants a loan amount up to \$20,000 which is due to the Agency upon the sale or refinancing of the property. The first time homebuyer program offers qualified applicants up to \$85,900 which is due upon sale or refinancing of the property. As of June 30, 2007, the Agency has outstanding loans in the amount of \$171,025 for rehabilitation loans, and \$85,900 for first time homebuyer loans. The Agency records these loans as deferred loans in the Redevelopment Set-Aside Capital Projects Fund.

CITY OF AGOURA HILLS
Notes to Financial Statements (Continued)
June 30, 2007

G. Contingency

Any claims for damages alleged against the City are referred to a claims adjuster through CJPIA. Management believes that there is minimal exposure to the City on these matters, and that no case, so reported, exceeds existing liability coverage.

There are certain legal actions pending against the City which have arisen in the normal course of operations. Management believes these matters will be covered by insurance; however, their outcome and financial effect on the City cannot presently be determined, and no provision for any potential liability or losses has been included in the financial statements as of June 30, 2007.

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

H. Redevelopment Agency Support

The City and the Agency entered into a reimbursement agreement for services. The City estimated the Agency will be unable to pay the entire advance from available future revenues. Therefore, the additions to the advances of \$524,550 have been reported as transfers. The balance at June 30, 2007 was \$16,414,328.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AGOURA HILLS
PERS Schedule Funding Progress
June 30, 2007

Public Safety Employees Retirement System
Schedule of Funding Progress (\$ Amount in Thousands)

Actuarial Valuation Date	Actuarial Asset Value (a)	Actuarial Accrued Liability (b)	AAL/ (Excess Assets) [(b) - (a)]	Funded Ratio [(a)/(b)]	Covered Payroll (e)	a % of Covered Payroll {[(b)-(a)]/(e)}
6/30/03: Misc.	\$ 2,372,879	\$ 2,596,966	\$ 224,087	91.4%	\$ 725,020	30.91%
6/30/04: Misc.	2,460,945	2,746,096	285,151	89.6%	743,692	38.34%
6/30/05: Misc.	2,588,713	2,891,461	302,748	89.5%	755,067	40.10%

CITY OF AGOURA HILLS
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
Revenues:				
Sales tax	\$ 2,865,252	\$ 2,865,252	\$ 2,833,699	\$ (31,553)
Other taxes:				
Property taxes	4,140,838	4,140,838	4,686,943	546,105
Property transfer tax	175,000	175,000	206,081	31,081
Transient occupancy tax	1,868,000	1,868,000	1,766,582	(101,418)
Franchise fee	564,000	564,000	713,001	149,001
Total Other Taxes	<u>6,747,838</u>	<u>6,747,838</u>	<u>7,372,607</u>	<u>624,769</u>
Licenses and permits:				
Business registration	56,000	56,000	65,240	9,240
Building permits	380,000	380,000	432,369	52,369
Other licenses and fees	12,000	12,000	12,195	195
Total Licenses and Permits	<u>448,000</u>	<u>448,000</u>	<u>509,804</u>	<u>61,804</u>
Intergovernmental:				
Motor vehicle in lieu	150,000	150,000	145,874	(4,126)
Off highway motor vehicle fee	850	850		(850)
State mandated cost			33,182	33,182
Total Intergovernmental	<u>150,850</u>	<u>150,850</u>	<u>179,056</u>	<u>28,206</u>
Charges for services:				
Planning fees	180,000	180,000	187,072	7,072
Engineer plan check/inspection	53,000	53,000	81,019	28,019
Grading plan check	10,000	10,000	4,254	(5,746)
Building plan check	300,000	300,000	168,891	(131,109)
Encroachment permits	10,000	10,000	51,260	41,260
Park and recreation fees	370,400	370,400	328,093	(42,307)
Special event fees	1,500	1,500	809	(691)
Sale of maps and copies	3,500	3,500	3,685	185
SCACQ administrative service charges	1,200	1,200	1,200	
Waste hauling administrative charges	26,947	26,947	26,947	
SIMP administrative fee	50	50	385	335
Total Charges for Services	<u>956,597</u>	<u>956,597</u>	<u>853,615</u>	<u>(102,982)</u>
Fines and penalties:				
Parking fines	55,000	55,000	60,507	5,507
Municipal court fines	25,000	25,000	18,181	(6,819)
Total Fines and Penalties	<u>80,000</u>	<u>80,000</u>	<u>78,688</u>	<u>(1,312)</u>

See Accompanying Note to Required Supplementary Information.

(Continued)

CITY OF AGOURA HILLS
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007 (Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
Use of money and property:				
Interest earnings	350,000	350,000	580,980	230,980
Rental income	30,092	30,092	41,898	11,806
Total Use of Money and Property	<u>380,092</u>	<u>380,092</u>	<u>622,878</u>	<u>242,786</u>
Other Revenue	108,300	108,300	92,687	(15,613)
Total Revenues	<u>11,736,929</u>	<u>11,736,929</u>	<u>12,543,034</u>	<u>806,105</u>
Expenditures:				
General government:				
City council	96,048	96,048	98,102	2,054
City manager	490,937	490,937	462,525	(28,412)
City clerk	275,902	275,902	251,207	(24,695)
City attorney	285,000	285,000	310,855	25,855
Finance	422,142	422,142	412,285	(9,857)
Public facilities	265,500	265,500	283,817	18,317
Nondepartmental	706,636	710,636	566,776	(143,860)
Automated office systems	210,864	210,864	226,608	15,744
Total General Government	<u>2,753,029</u>	<u>2,757,029</u>	<u>2,612,175</u>	<u>(144,854)</u>
Public safety:				
L.A. County sheriff	2,737,096	2,757,096	2,722,121	(34,975)
Disaster response team	53,363	53,363	48,886	(4,477)
Animal control	40,000	40,000	13,483	(26,517)
Total Public Safety	<u>2,830,459</u>	<u>2,850,459</u>	<u>2,784,490</u>	<u>(65,969)</u>
Community development:				
Planning and administration	957,001	957,001	893,632	(63,369)
Total Community Development	<u>957,001</u>	<u>957,001</u>	<u>893,632</u>	<u>(63,369)</u>
Community services:				
Recreation	557,221	557,221	492,860	(64,361)
Community services administration	624,952	624,952	595,379	(29,573)
Total Community Services	<u>1,182,173</u>	<u>1,182,173</u>	<u>1,088,239</u>	<u>(93,934)</u>

See Accompanying Note to Required Supplementary Information.

(Continued)

CITY OF AGOURA HILLS
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007 (Continued)

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Public works:				
Administration	654,578	656,578	602,084	(54,494)
Street maintenance	20,000	20,000	1,525	(18,475)
Landscape maintenance	523,700	523,700	515,470	(8,230)
Building and safety	673,261	673,261	585,606	(87,655)
Drain and flood maintenance	185,000	185,000	131,493	(53,507)
Total Public Works	<u>2,056,539</u>	<u>2,058,539</u>	<u>1,836,178</u>	<u>(222,361)</u>
Capital outlay	<u>1,740,000</u>	<u>3,545,000</u>	<u>1,168,241</u>	<u>(2,376,759)</u>
Total Expenditures	<u>11,519,201</u>	<u>13,350,201</u>	<u>10,382,955</u>	<u>(2,967,246)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>217,728</u>	<u>(1,613,272)</u>	<u>2,160,079</u>	<u>3,773,351</u>
Other Financing Sources (Uses):				
Transfers out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,525,549)</u>	<u>525,549</u>
Net Change in Fund Balance	<u>(1,782,272)</u>	<u>(3,613,272)</u>	<u>(365,470)</u>	<u>3,247,802</u>
Fund Balance, Beginning of Year	<u>12,539,888</u>	<u>12,539,888</u>	<u>12,539,888</u>	
Fund Balance, End of Year	<u><u>\$ 10,757,616</u></u>	<u><u>\$ 8,926,616</u></u>	<u><u>\$ 12,174,418</u></u>	<u><u>\$ 3,247,802</u></u>

See Accompanying Note to Required Supplementary Information.

CITY OF AGOURA HILLS
Traffic Improvement Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
Revenues:				
Intergovernmental revenues	\$ 1,619,903	\$ 1,619,903	\$ 1,267,010	\$ (352,893)
Charges for services	250,000	250,000	1,850,799	1,600,799
Use of money and property	200,000	200,000	385,325	185,325
Total Revenues	2,069,903	2,069,903	3,503,134	1,433,231
Other Financing Sources (Uses):				
Transfers in	1,000,000	1,000,000	1,000,000	
Transfers out			(3,129,141)	3,129,141
Net Change in Fund Balance	3,069,903	3,069,903	1,373,993	(1,695,910)
Fund Balance, Beginning of Year	4,602,101	4,602,101	4,602,101	
Fund Balance, End of Year	<u>\$ 7,672,004</u>	<u>\$ 7,672,004</u>	<u>\$ 5,976,094</u>	<u>\$ (1,695,910)</u>

See Accompanying Note to Required Supplementary Information.

CITY OF AGOURA HILLS
Other Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
Revenues:				
Intergovernmental revenues	\$ 27,799	\$ 27,799	\$ 53,302	\$ 25,503
Use of money and property	2,249	2,249	735	(1,514)
Other revenues	185,000	185,000	185,000	
Total Revenues	215,048	215,048	239,037	23,989
Expenditures:				
Current:				
General government			29,950	29,950
Public safety	15,048	15,048	13,778	(1,270)
Community development	15,000	15,000	10,310	(4,690)
Capital outlay	5,678,500	5,678,500	5,251,452	(427,048)
Total Expenditures	5,708,548	5,708,548	5,305,490	(403,058)
Net Change in Fund Balance	(5,493,500)	(5,493,500)	(5,066,453)	427,047
Fund Balance, Beginning of Year				
Fund Balance (Deficit), End of Year	\$ (5,493,500)	\$ (5,493,500)	\$ (5,066,453)	\$ 427,047

See Accompanying Note to Required Supplementary Information.

CITY OF AGOURA HILLS
Note to Required Supplementary Information
June 30, 2007

I. Stewardship, Compliance and Accountability

Budgetary Data

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.

The budget is prepared by fund, function and activity, and includes actual information for the past year, current year estimates and requested appropriations for the next fiscal year. The budget is a statement of the goals and objectives of the City for that fiscal year. The budget provides management control at the functional departmental level. The City Manager may authorize the transfer of funds within the same fund. 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.

SUPPLEMENTARY INFORMATION

CITY OF AGOURA HILLS
Redevelopment Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Over (Under)
Revenues:				
Tax increment	\$ 2,292,910	\$ 2,292,910	\$ 3,952,821	\$ 1,659,911
Use of money and property	10,000	10,000	9,413	(587)
Total Revenues	<u>2,302,910</u>	<u>2,302,910</u>	<u>3,962,234</u>	<u>1,659,324</u>
Expenditures:				
Current:				
Pass through to other agencies	1,650,790	1,650,790	2,721,575	1,070,785
Community development	361,228	361,228	298,062	(63,166)
Public works	36,387	36,387	23,407	(12,980)
Capital outlay	8,006,500	8,196,500	3,566,922	(4,629,578)
Total Expenditures	<u>10,054,905</u>	<u>10,244,905</u>	<u>6,609,966</u>	<u>(3,634,939)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,751,995)</u>	<u>(7,941,995)</u>	<u>(2,647,732)</u>	<u>5,294,263</u>
Other Financing Sources (Uses):				
Transfers in			3,654,690	3,654,690
Transfers out	(458,582)	(458,582)	(790,564)	(331,982)
Total Other Financing Sources (Uses)	<u>(458,582)</u>	<u>(458,582)</u>	<u>2,864,126</u>	<u>3,322,708</u>
Net Change in Fund Balance	(8,210,577)	(8,400,577)	216,394	8,616,971
Fund Balance, Beginning of Year	<u>1,278,994</u>	<u>1,278,994</u>	<u>1,278,994</u>	
Fund Balance, End of Year	<u>\$ (6,931,583)</u>	<u>\$ (7,121,583)</u>	<u>\$ 1,495,388</u>	<u>\$ 8,616,971</u>

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DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

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

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

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

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

Community Development Block Grant- To account for federal Housing and Community Development Act funds received through the County of Los Angeles Community Development Commission.

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

Traffic Congestion Relief- To account for funds allocated to the City by the State (AB2928) which may only be used for street road maintenance or reconstruction. Cities are required to maintain their existing commitment of general funds for streets or road works.

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.

Nonmajor Debt Service Fund

Debt Service-To account for the accumulation of resources for payment of interest and principal on long-term liabilities.

Nonmajor Capital Projects Funds

Recreation Center- To account for the funds to be used for the development or maintenance of the city's recreation center.

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (Continued)

Redevelopment Set-Aside- To account for tax increment revenue and related interest income required to be used for low and moderate income housing and related expenditure.

Inclusionary Housing In Lieu- To account for in lieu fees to be used for the development or maintenance of housing affordable to low to moderate income households.

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

CITY OF AGOURA HILLS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue			
	Traffic Safety	Transit Tax	Public Transit	Air Quality Management
<u>Assets</u>				
Cash and investments	\$ 579,332	\$ 1,066,391	\$ 515,093	\$ 33,627
Receivables:				
Interest	7,451	12,851	6,402	376
Deferred loans				
Due from other governments	13,715	82,176		7,252
 Total Assets	<u>\$ 600,498</u>	<u>\$ 1,161,418</u>	<u>\$ 521,495</u>	<u>\$ 41,255</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued expenditures	\$ 32,930	\$ 99,617	\$ 189.00	
Deferred revenue		63,243		
Due to other funds				
 Total Liabilities	<u>32,930</u>	<u>162,860</u>	<u>189</u>	
Fund Balances:				
Reserved for low/moderate income housing				
Reserved for inclusionary housing in lieu				
Reserved for Reyes Adobe interchange project				
Unreserved:				
Undesignated	567,568	998,558	521,306	\$ 41,255
 Total Fund Balances	<u>567,568</u>	<u>998,558</u>	<u>521,306</u>	<u>41,255</u>
 Total Liabilities and Fund Balances	<u>\$ 600,498</u>	<u>\$ 1,161,418</u>	<u>\$ 521,495</u>	<u>\$ 41,255</u>

Supplemental Law Enforcement	Community Development Block Grant	Special Revenue			Debt Service
		Solid Waste Management	Traffic Congestion Relief	State Gas Tax	Debt Service
\$ 17,956		\$ 159,199	\$ 10,680	\$ 288,877	\$ 103,275
362		2,085	139	3,136	1,342
	\$ 46,792	20,305		41,802	
<u>\$ 18,318</u>	<u>\$ 46,792</u>	<u>\$ 181,589</u>	<u>\$ 10,819</u>	<u>\$ 333,815</u>	<u>\$ 104,617</u>
\$ 9,931	\$ 750			\$ 25,802	
	46,792				
	46,040				
<u>9,931</u>	<u>93,582</u>			<u>25,802</u>	
<u>8,387</u>	<u>(46,790)</u>	<u>\$ 181,589</u>	<u>\$ 10,819</u>	<u>308,013</u>	<u>\$ 104,617</u>
<u>8,387</u>	<u>(46,790)</u>	<u>181,589</u>	<u>10,819</u>	<u>308,013</u>	<u>104,617</u>
<u>\$ 18,318</u>	<u>\$ 46,792</u>	<u>\$ 181,589</u>	<u>\$ 10,819</u>	<u>\$ 333,815</u>	<u>\$ 104,617</u>

(Continued)

CITY OF AGOURA HILLS
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2007

	Capital Projects			
	Recreation Center	Redevelopment Set-Aside	Inclusionary Housing In Lieu	Financing Authority Capital Projects
<u>Assets</u>				
Cash and investments	\$ 3,078,121	\$ 2,625,459	\$ 1,855,064	\$ 2,521,550
Receivables:				
Interest	40,005	33,827	24,109	
Deferred loans		256,925		
Due from other governments		194,887		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,118,126</u>	<u>\$ 3,111,098</u>	<u>\$ 1,879,173</u>	<u>\$ 2,521,550</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued expenditures		\$ 2,838		
Deferred revenue		60,000		
Due to other funds				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities		<u>62,838</u>		
Fund Balances:				
Reserved for low/moderate income housing		3,048,260		
Reserved for inclusionary housing in lieu			\$ 1,879,173	
Reserved for Reyes Adobe interchange project				\$ 2,521,550
Unreserved:				
Undesignated	\$ 3,118,126			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>3,118,126</u>	<u>3,048,260</u>	<u>1,879,173</u>	<u>2,521,550</u>
Total Liabilities and Fund Balances	<u>\$ 3,118,126</u>	<u>\$ 3,111,098</u>	<u>\$ 1,879,173</u>	<u>\$ 2,521,550</u>

Total
Nonmajor
Governmental
Funds

\$ 12,854,624

132,085

256,925

406,929

\$ 13,650,563

\$ 172,057

170,035

46,040

388,132

3,048,260

1,879,173

2,521,550

5,813,448

13,262,431

\$ 13,650,563

CITY OF AGOURA HILLS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007

	Special Revenue			
	Traffic Safety	Transit Tax	Public Transit	Air Quality Management
Revenues:				
Intergovernmental revenues		\$ 373,446	\$ 306,911	\$ 27,900
Charges for services		340,768		
Fines and penalties	\$ 142,622			
Use of money and property	29,729	47,041	23,901	984
Other revenues		82,329		
Total Revenues	<u>172,351</u>	<u>843,584</u>	<u>330,812</u>	<u>28,884</u>
Expenditures:				
Current:				
General government			19,987	
Public safety				
Community development				
Community services		114,355		
Public works	178,071	464,151		
Debt service:				
Cost of issuance				
Interest and fiscal charges				
Capital outlay		128,406	507,801	24,415
Total Expenditures	<u>178,071</u>	<u>706,912</u>	<u>527,788</u>	<u>24,415</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,720)	136,672	(196,976)	4,469
Other Financing Sources:				
Transfers in				
Refunding bonds issued				
Discount				
Advance refunding escrow				
Total Other Financing Sources				
Net Change in Fund Balances	(5,720)	136,672	(196,976)	4,469
Fund Balances, Beginning of Year	<u>573,288</u>	<u>861,886</u>	<u>718,282</u>	<u>36,786</u>
Fund Balances (Deficits), End of Year	<u>\$ 567,568</u>	<u>\$ 998,558</u>	<u>\$ 521,306</u>	<u>\$ 41,255</u>

<u>Supplemental Law Enforcement</u>	<u>Community Development Block Grant</u>	<u>Special Revenue</u>			<u>Debt Service</u>
		<u>Solid Waste Management</u>	<u>Traffic Congestion Relief</u>	<u>State Gas Tax</u>	<u>Debt Service</u>
\$ 100,000	\$ 30,620		\$ 163,106	\$ 423,235	
		\$ 97,959			
2,368		8,602	3,211	12,262	\$ 9,150
		2,000			32
<u>102,368</u>	<u>30,620</u>	<u>108,561</u>	<u>166,317</u>	<u>435,497</u>	<u>9,182</u>
					2,120
119,171					
	63,218				
	14,192	103,361			
				125,379	
					331,308
					226,635
			<u>163,107</u>	<u>287,050</u>	
<u>119,171</u>	<u>77,410</u>	<u>103,361</u>	<u>163,107</u>	<u>412,429</u>	<u>560,063</u>
(16,803)	(46,790)	5,200	3,210	23,068	(550,881)
					9,560,000
					(67,013)
					(9,161,711)
					331,276
(16,803)	(46,790)	5,200	3,210	23,068	(219,605)
25,190		176,389	7,609	284,945	324,222
<u>\$ 8,387</u>	<u>\$ (46,790)</u>	<u>\$ 181,589</u>	<u>\$ 10,819</u>	<u>\$ 308,013</u>	<u>\$ 104,617</u>

(Continued)

CITY OF AGOURA HILLS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2007

	Capital Projects			
	Recreation Center	Redevelopment Set-Aside	Inclusionary Housing In Lieu	Financing Authority Capital Projects
Revenues:				
Intergovernmental revenues				
Charges for services				
Fines and penalties				
Use of money and property	\$ 118,126	\$ 119,929	\$ 93,845	\$ 21,550
Other revenues				
Total Revenues	<u>118,126</u>	<u>119,929</u>	<u>93,845</u>	<u>21,550</u>
Expenditures:				
Current:				
General government		30,530		
Public safety				
Community development		144,543		
Community services				
Public works				
Debt Service:				
Cost of issuance				
Interest and fiscal charges				
Capital outlay				
Total Expenditures		<u>175,073</u>		
Excess (Deficiency) of Revenues Over Expenditures	118,126	(55,144)	93,845	21,550
Other Financing Sources:				
Transfers in	\$ 1,000,000	790,564		
Refunding bonds issued				\$ 2,500,000
Discount				
Advance refunding escrow				
Total Other Financing Sources	1,000,000	790,564		2,500,000
Net Change in Fund Balances	1,118,126	735,420	93,845	2,521,550
Fund Balances, Beginning of Year	<u>2,000,000</u>	<u>2,312,840</u>	<u>1,785,328</u>	
Fund Balances (Deficits), End of Year	<u>\$ 3,118,126</u>	<u>\$ 3,048,260</u>	<u>\$ 1,879,173</u>	<u>\$ 2,521,550</u>

Total
Nonmajor
Governmental
Funds

\$ 1,425,218
438,727
142,622
490,698
84,361

2,581,626

52,637
119,171
207,761
231,908
767,601

331,308
226,635
1,110,779

3,047,800

(466,174)

1,790,564
12,060,000
(67,013)
(9,161,711)

4,621,840

4,155,666

9,106,765

\$ 13,262,431

CITY OF AGOURA HILLS
Nonmajor Traffic Safety Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Fines and penalties	\$ 200,000	\$ 142,622	\$ (57,378)
Use of money and property	<u>20,000</u>	<u>29,729</u>	<u>9,729</u>
Total Revenues	220,000	172,351	(47,649)
Expenditures:			
Current:			
Public works	<u>200,000</u>	<u>178,071</u>	<u>(21,929)</u>
Net Change in Fund Balance	20,000	(5,720)	(25,720)
Fund Balance, Beginning of Year	<u>573,288</u>	<u>573,288</u>	<u> </u>
Fund Balance, End of Year	<u><u>\$ 593,288</u></u>	<u><u>\$ 567,568</u></u>	<u><u>\$ (25,720)</u></u>

CITY OF AGOURA HILLS
Nonmajor Transit Tax Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Intergovernmental revenues	\$ 322,499	\$ 373,446	\$ 50,947
Charges for services	245,859	340,768	94,909
Use of money and property	25,000	47,041	22,041
Other	<u>76,573</u>	<u>82,329</u>	<u>5,756</u>
Total Revenues	<u>669,931</u>	<u>843,584</u>	<u>173,653</u>
Expenditures:			
Current:			
Community services	142,610	114,355	(28,255)
Public works	428,000	464,151	36,151
Capital Outlay	<u>250,000</u>	<u>128,406</u>	<u>(121,594)</u>
Total Expenditures	<u>820,610</u>	<u>706,912</u>	<u>(113,698)</u>
Net Change in Fund Balance	(150,679)	136,672	287,351
Fund Balance, Beginning of Year	<u>861,886</u>	<u>861,886</u>	<u></u>
Fund Balance, End of Year	<u><u>\$ 711,207</u></u>	<u><u>\$ 998,558</u></u>	<u><u>\$ 287,351</u></u>

CITY OF AGOURA HILLS
Nonmajor Public Transit Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental revenues	\$ 267,492	\$ 306,911	\$ 39,419
Use of money and property	10,000	23,901	13,901
	<u>277,492</u>	<u>330,812</u>	<u>53,320</u>
Total Revenues			
Expenditures:			
Current:			
General government	20,688	19,987	(701)
Capital outlay	500,000	507,801	7,801
	<u>520,688</u>	<u>527,788</u>	<u>7,100</u>
Total Expenditures			
Net Change in Fund Balance	(243,196)	(196,976)	46,220
Fund Balance, Beginning of Year	<u>718,282</u>	<u>718,282</u>	
Fund Balance, End of Year	<u><u>\$ 475,086</u></u>	<u><u>\$ 521,306</u></u>	<u><u>\$ 46,220</u></u>

CITY OF AGOURA HILLS
Nonmajor Air Quality Management Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental revenues	\$ 25,782	\$ 27,900	\$ 2,118
Use of money and property	600	984	384
Total Revenues	26,382	28,884	2,502
Expenditures:			
Capital outlay	27,200	24,415	(2,785)
Net Change in Fund Balance	(818)	4,469	5,287
Fund Balance, Beginning of Year	36,786	36,786	
Fund Balance, End of Year	<u>\$ 35,968</u>	<u>\$ 41,255</u>	<u>\$ 5,287</u>

CITY OF AGOURA HILLS
Nonmajor Supplemental Law Enforcement Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Intergovernmental revenues	\$ 100,000	\$ 100,000	
Use of money and property	<u>2,000</u>	<u>2,368</u>	<u>\$ 368</u>
Total Revenues	<u>102,000</u>	<u>102,368</u>	<u>368</u>
Expenditures:			
Current:			
Public safety	<u>119,171</u>	<u>119,171</u>	
Net Change in Fund Balance	(17,171)	(16,803)	368
Fund Balance, Beginning of Year	<u>25,190</u>	<u>25,190</u>	
Fund Balance, End of Year	<u><u>\$ 8,019</u></u>	<u><u>\$ 8,387</u></u>	<u><u>\$ 368</u></u>

CITY OF AGOURA HILLS
Nonmajor Community Development Block Grant Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final</u>	<u>Actual</u>	Variance Over (Under)
Revenues:			
Intergovernmental revenues	\$ 94,630	\$ 30,620	\$ (64,010)
Expenditures:			
Current:			
Community development	80,436	63,218	(17,218)
Community services	14,194	14,192	(2)
Total Expenditures	<u>94,630</u>	<u>77,410</u>	<u>(17,220)</u>
Net Change in Fund Balance		(46,790)	(46,790)
Fund Balance, Beginning of Year	<u> </u>	<u> </u>	<u> </u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ (46,790)</u></u>	<u><u>\$ (46,790)</u></u>

CITY OF AGOURA HILLS
Nonmajor Solid Waste Management Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final</u>	<u>Actual</u>	Variance Over (Under)
Revenues:			
Charges for services	\$ 107,115	\$ 97,959	\$ (9,156)
Use of money and property	2,500	8,602	6,102
Other	<u>1,500</u>	<u>2,000</u>	<u>500</u>
Total Revenues	111,115	108,561	(2,554)
Expenditures:			
Community services	<u>111,947</u>	<u>103,361</u>	<u>(8,586)</u>
Net Change in Fund Balance	(832)	5,200	6,032
Fund Balance, Beginning of Year	<u>176,389</u>	<u>176,389</u>	<u> </u>
Fund Balance, End of Year	<u><u>\$ 175,557</u></u>	<u><u>\$ 181,589</u></u>	<u><u>\$ 6,032</u></u>

CITY OF AGOURA HILLS
Nonmajor Traffic Congestion Relief Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final	Actual	Variance Over (Under)
Revenues:			
Intergovernmental revenues	\$ 163,107	\$ 163,106	\$ (1)
Use of money and property	800	3,211	2,411
Total Revenues	163,907	166,317	2,410
Expenditures:			
Capital outlay	163,107	163,107	
Net Change in Fund Balance	800	3,210	2,410
Fund Balance, Beginning of Year	7,609	7,609	
Fund Balance, End of Year	\$ 8,409	\$ 10,819	\$ 2,410

CITY OF AGOURA HILLS
Nonmajor State Gas Tax Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final	Actual	Variance Over (Under)
Revenues:			
Intergovernmental revenues	\$ 403,467	\$ 423,235	\$ 19,768
Use of money and property	5,000	12,262	7,262
Total Revenues	408,467	435,497	27,030
Expenditures:			
Current:			
Public works	215,000	125,379	(89,621)
Capital outlay	297,603	287,050	(10,553)
Total Expenditures	512,603	412,429	(100,174)
Net Change in Fund Balance	(104,136)	23,068	127,204
Fund Balance, Beginning of Year	284,945	284,945	
Fund Balance, End of Year	\$ 180,809	\$ 308,013	\$ 127,204

FIDUCIARY FUND

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

CITY OF AGOURA HILLS
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2007

<u>Trust</u>	<u>Balance at June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2007</u>
<u>Assets</u>				
Cash and investments	\$ 1,583,696	\$ 191,945	\$ -	\$ 1,775,641
<u>Liabilities</u>				
Deposits payable	\$ 1,583,696	\$ 191,945	\$ -	\$ 1,775,641