

## **REPORT TO CITY COUNCIL**

**DATE: DECEMBER 9, 2009**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: GREG RAMIREZ, CITY MANAGER**

**BY: CHRISTY PINUELAS, DIRECTOR OF FINANCE**

**SUBJECT: RECEIVE AND FILE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2009**

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The citywide annual audit was performed by Macias Gini & O'Connell for the FY 2008-09. All reports and letters have been attached for your review. The Finance Committee met prior to the meeting to review the information with the auditors. The audit information is presented to the City Council as a receive and file item and no further action is required.

### **RECOMMENDATION**

It is recommended the City Council receive and file the 2008-09 Comprehensive Annual Financial Report.

Attachment: 2008-09 Comprehensive Annual Financial Report

# City of Agoura Hills

CALIFORNIA



New U.S. 101 / Reyes Adobe Road Interchange

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

# CITY OF AGOURA HILLS

## CALIFORNIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**CITY OF AGOURA HILLS**  
**Comprehensive Annual Financial Report**  
**June 30, 2009**

*Table of Contents*

	<i>Page(s)</i>
<b>Introductory Section:</b>	
Transmittal Letter.....	iii
List of Elected and Appointed Officials .....	viii
<b>Financial Section:</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (Unaudited) .....	3
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Assets.....	14
Statement of Activities .....	15
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds.....	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	22
Statement of Fiduciary Assets and Liabilities – Agency Fund.....	23
Notes to the Financial Statements .....	25
<b>Required Supplementary Information (Unaudited):</b>	
General Fund – Budgetary Comparison Schedule.....	50
Traffic Improvement Fund – Budgetary Comparison Schedule.....	53
Other Grants Fund – Budgetary Comparison Schedule.....	54
Note to Required Supplementary Information.....	55
<b>Supplementary Information:</b>	
<b>Major Funds:</b>	
Redevelopment Debt Service Fund – Budgetary Comparison Schedule.....	58
Redevelopment Set-Aside Capital Projects Fund – Budgetary Comparison Schedule.....	59
Redevelopment Capital Projects Fund – Budgetary Comparison Schedule.....	60
<b>Nonmajor Funds:</b>	
Description of Nonmajor Governmental Funds .....	61
Combining Balance Sheet.....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	65

**CITY OF AGOURA HILLS**  
**Comprehensive Annual Financial Report**  
**June 30, 2009**

*Table of Contents (Continued)*

	<i>Page(s)</i>
<b>Supplementary Information (Continued):</b>	
<b>Nonmajor Special Revenue Funds – Budgetary Comparison Schedules:</b>	
Traffic Safety .....	69
Transit Tax.....	70
Public Transit.....	71
Air Quality Management .....	72
Supplemental Law Enforcement.....	73
Solid Waste Management .....	74
Traffic Congestion Relief .....	75
State Gas Tax Fund.....	76
<b>Agency Fund:</b>	
Description of Agency Fund.....	77
Statement of Changes in Assets and Liabilities – Agency Fund.....	78
<b>Statistical Section (Unaudited):</b>	
Net Assets by Component .....	83
Changes in Net Assets.....	84
Program Revenues by Function/Program.....	86
Fund Balances, Governmental Funds.....	87
Changes in Fund Balances, Governmental Funds.....	88
Tax Revenues by Source, Governmental Funds .....	89
Assessed Value and Estimated Value of Taxable Property .....	90
Direct and Overlapping Property Tax Rates .....	91
Principal Property Tax Payers.....	92
Secured Property Tax Levies and Collections .....	93
Taxable Sales by Category .....	94
Direct and Overlapping Sales Tax Rates .....	95
Ratios of Outstanding Debt by Type.....	96
Ratio of Net General Bonded Debt Outstanding.....	97
Direct and Overlapping Governmental Activities Debt.....	98
Legal Debt Margin Information .....	99
Demographic and Economic Statistics.....	100
Principal Employers .....	101

**CITY OF AGOURA HILLS**  
**Comprehensive Annual Financial Report**  
**June 30, 2009**

*Table of Contents (Continued)*

	<i>Page(s)</i>
<b>Statistical Section (Continued):</b>	
Full-Time Equivalent City Government Employees by Function/Program.....	102
Operating Indicators by Function/Program.....	103
Capital Asset Statistics by Function/Program.....	104

# **Introductory Section**



*December 1, 2009*

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

The City (City) of Agoura Hills is pleased to submit its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. The CAFR represents a complete set of financial statements presented in conformity, with generally accepted accounting principles (GAAP), and audited, in accordance with generally accepted auditing standards, by a firm of licensed certified public accountants.

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

The City's financial statements have been audited by Macias, Gini and O'Connell, LLP, an accounting firm fully licensed and qualified to perform audits of state and local governments within the State of California. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the City of Agoura Hills' financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP.

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

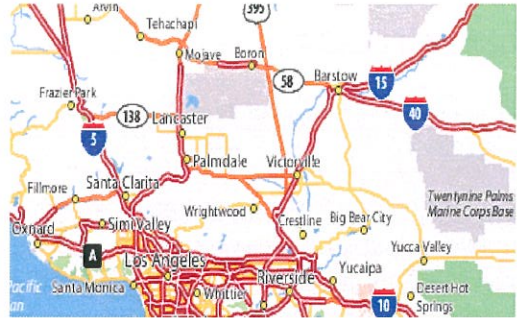
GAAP requires that management provide a narrative introduction, overview, and analysis, to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the City's MD&A and should be read in conjunction with it.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



**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For the Year Ended June 30, 2009**

**PROFILE OF THE CITY OF AGOURA HILLS**

Perched on the western edge of Los Angeles County in the foothills of the Santa Monica Mountains, Agoura Hills is located just forty-five minutes from busy downtown Los Angeles, but is nevertheless rich with undulating hills and inspiring canyons. Agoura Hills was incorporated December 8, 1982. It is 7.86 square miles in size and has an average climate of 65 degrees Fahrenheit, with an average rainfall of 19.5". The City has an altitude of 936 feet to 2,036 feet. Agoura Hills is one of the smaller communities in Los Angeles County, with a population of only 23,337.



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:

- ❖ Agoura Hills Redevelopment Agency
- ❖ Public Facilities Corporation
- ❖ Public Financing 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

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

For many centuries, the area that would become Agoura Hills was familiar territory for Native Americans who wandered inland from their haunts 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

**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For the Year Ended June 30, 2009**

conceded ground to rows of lettuce and celery, orchards, and wheat fields. Ranching and agriculture eventually diminished in importance. Ranchers began dividing up their property and selling individual tracts for housing. From the outset, ranchers and farmers had worried about water supplies and those concerns were shared by the citizens of Agoura Hills into the mid 1950s. At that time, provision of outside sources of water helped ensure the growth of the community, aided by the new highways which acted as a conduit for fresh faces and commercial development and contributed to the maturation of Agoura Hills.

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

**LOCAL ECONOMY**

Agoura Hills is one of the wealthier communities in California with a median income of \$99,574, which is 1.7 times that of the State of California. The median age of Agoura Hills' residents in 2009 was 39, while the median age in California was 34.4 years.

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

**LONG-TERM FINANCIAL PLANNING**

Unreserved, undesignated fund balance in the General Fund (67 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 plans to expand the Reyes Adobe Interchange, which spans US Freeway 101. This interchange is anticipated to cost \$8.2 million with a construction cost of \$4.6 million. It will be funded with \$3.2 million from a Federal Grant, \$2.1 million in a Los Angeles County Metropolitan Transportation Authority (METRO) Grant, approximately \$1 million in Redevelopment funds (design and engineering), and \$1.6 million in Traffic Improvement Fees. The expansion of the

bridge will allow provide for new safety measures and traffic movement enhancements and anticipates future development along the US 101 corridor.

**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For the Year Ended June 30, 2009**

In June 2008, the Agoura Hills Redevelopment Agency issued the following debt:

- ❖ \$10.0 million in Housing Set-Aside Tax Allocation Bonds
- ❖ \$5.7 million in Tax Allocation Bonds

In 2008/09, the Agoura Hills Redevelopment Agency used \$4.1 million of the Tax Allocation Bonds to purchase property within the Redevelopment Agency.

**CASH MANAGEMENT**

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

In fiscal year 2008/09, the City's investment portfolio included \$30.9 million invested in LAIF, and \$8.1 million in U.S. Securities. This included bond proceeds held by the City of Agoura hills. Further information on this can be found in Note (3).

**RISK MANAGEMENT**

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

**PENSION AND POSTEMPLOYMENT BENEFITS**

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

In addition to pension benefits, the City provides post-retirement health care benefits. In an effort to better manage these costs and still provide a benefit to the City's retirees, effective January 1, 2009, the retiree medical reimbursement was established at a maximum of \$500, with an eligibility requirement of 10 (ten) years of service with the City of Agoura Hills. Full-time employees who retire after January 1, 2009, with less than 10 years of service with the City of Agoura Hills, will be eligible for the 2009 PEMHCA minimum contribution at the time of their retirement. The eligible surviving spouse of a deceased retiree has the ability to receive a maximum monthly medical reimbursement of up to \$300 for a maximum of 12 (twelve) months. Their eligibility is dependent on how the retiree structures their CalPERS retirement.

**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For the Year Ended June 30, 2009**

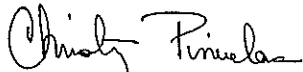
**ACKNOWLEDGEMENTS**

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

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

Respectfully submitted,

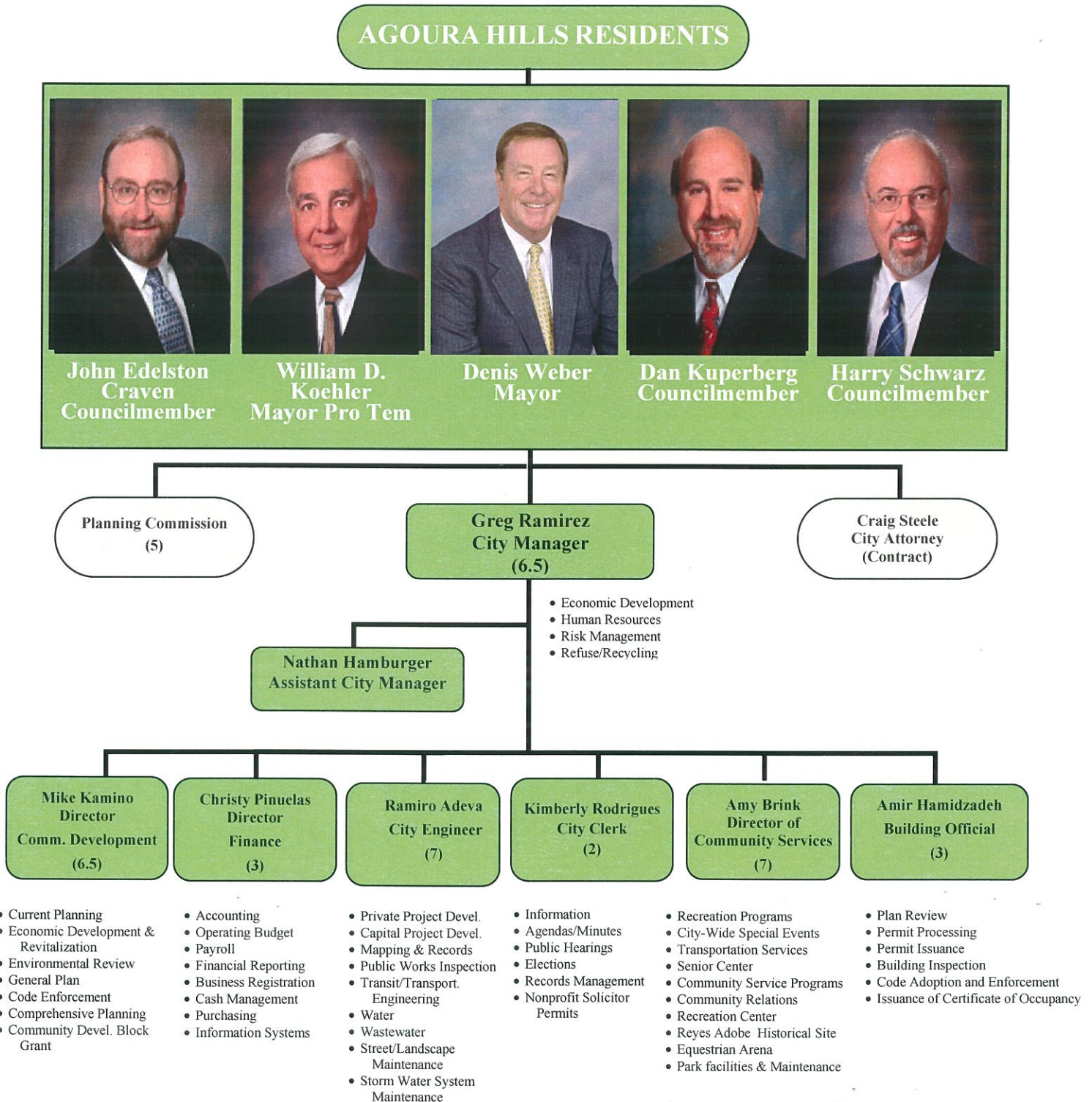
CITY OF AGOURA HILLS



Christy Pinuelas  
Director of Finance

# CITY OF AGOURA HILLS

## ORGANIZATIONAL STRUCTURE AND DIRECTORY OF CITY OFFICIALS



# **Financial Section**



**MACIAS GINI & O'CONNELL** LLP  
Certified Public Accountants & Management Consultants

NEWPORT BEACH  
1201 Dove Street, Suite 680  
Newport Beach, CA 92660  
949.221.0025

SACRAMENTO

OAKLAND

WALNUT CREEK

LOS ANGELES

SAN MARCOS

SAN DIEGO

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

### **Independent Auditor's 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, 2009, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to 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, 2009, 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 December 1, 2009 on our consideration of the City of Agoura Hills' 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, the major fund budgetary comparison schedule, the combining and individual nonmajor fund financial statements and schedules listed as supplementary information in the table of contents, and statistical section 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Macias Jini & O'Connell LLP*

Certified Public Accountants  
Newport Beach, California

December 1, 2009



**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2009**

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, 2009. 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, 2009, the City's net assets (excess of assets over liabilities) were \$85.8 million. Of this amount, \$9.3 million is available to meet the City's ongoing operations to citizens and creditors.
- ❖ During the fiscal year ended June 30, 2009, the City's total net assets increased by \$2.8 million.
- ❖ As of June 30, 2009, the unreserved, undesignated, fund balance for the General Fund was \$9.0 million or 70% of total General Fund expenditures.
- ❖ The City's governmental funds reported combined ending fund balances of \$43.7 million, a decrease of \$2.4 million compared with the prior fiscal year. Approximately \$24.9 million of this total amount is available for spending at the government's discretion.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

***Government-Wide Financial Statements***

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

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

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

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2009**

While some governmental agencies have governmental and business-type activities, the City of Agoura Hills records all activities under governmental activities. This means that the City does not charge a fee large enough to cover all or most of any of the services it provides.

***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. Proposition A & C) 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, the Traffic Improvement Special Revenue Fund, the Other Grants Special Revenue Fund, the Community Development Block Grant Special Revenue Fund, the Redevelopment Set-Aside Capital Projects Fund, the Redevelopment Capital Projects Fund, and the Redevelopment Debt Service 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 Fund – the City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statements of Fiduciary assets and liabilities. These activities are excluded from the City's other financial statements because the resources of these funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2009**

*Notes to the Basic Financial Statements*

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

*Required Supplementary Information*

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

*Statement of Net Assets*

Net assets are a good indicator of the City's financial position. For the fiscal year ended June 30, 2009, net assets of the City were \$85.8 million, which is an increase of \$2.8 million from the prior year.

Following is the condensed Statement of Net Assets for the fiscal years ended June 30, 2009 and 2008.

**City of Agoura Hills Net Assets**  
**As of June 30, 2009 and 2008**

	<b>2009</b>	<b>2008</b>
Current and other assets	\$54,134,515	\$52,969,627
Capital assets	61,287,035	59,725,423
Total Assets	115,421,550	112,695,050
Current liabilities	2,908,876	2,419,638
Long-term liabilities outstanding	26,745,023	27,315,684
Total Liabilities	29,653,899	29,735,322
Net Assets:		
Invested in capital assets, net of related debt	49,983,660	48,276,081
Restricted	26,521,423	23,887,822
Unrestricted	9,262,568	10,795,825
Total Net Assets (Restated for 2008)	\$85,767,651	\$82,959,728

At June 30, 2009 the largest portion of net assets (58 percent) consists of the City's investment in capital assets, net of related debt. This component portrays the amount of funds required to acquire those assets, less any related debt used for such acquisition that is still outstanding. The City uses these capital assets to provide services to citizens. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating and generally are not liquidated to repay debt. Therefore, debt service payments are funded from other sources available to the City.

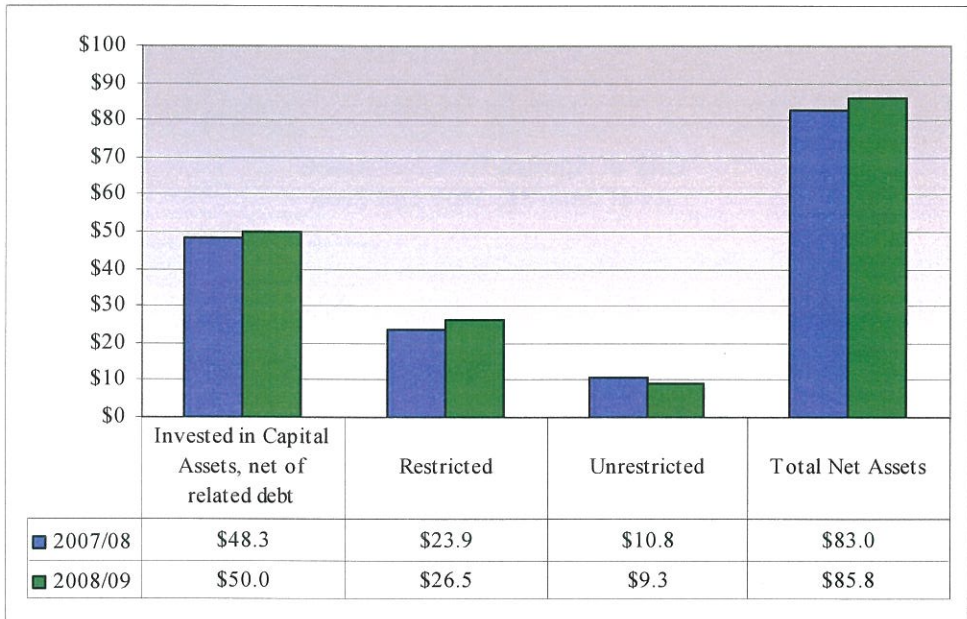
An additional portion of the City's net assets (\$26.5 million or 31 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$9.3 million or 10.8 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2009**

For the years ended June 30, 2009 and 2008, the City reported positive balances in all three categories of net assets.

- ❖ The \$1.8 million increase in the City's investment in capital assets net of related debt was primarily related to the \$1.6 million expenditure for the acquisition of land designated for Open Space.
- ❖ Unrestricted net assets decreased \$1.6 million.

The following chart shows the comparison of the three components of net assets for fiscal years 2007/08 and 2008/09 (in millions).



**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2009**

*Statement of Activities*

The following is the condensed Statement of Activities for the fiscal years ended June 30, 2009 and 2008.

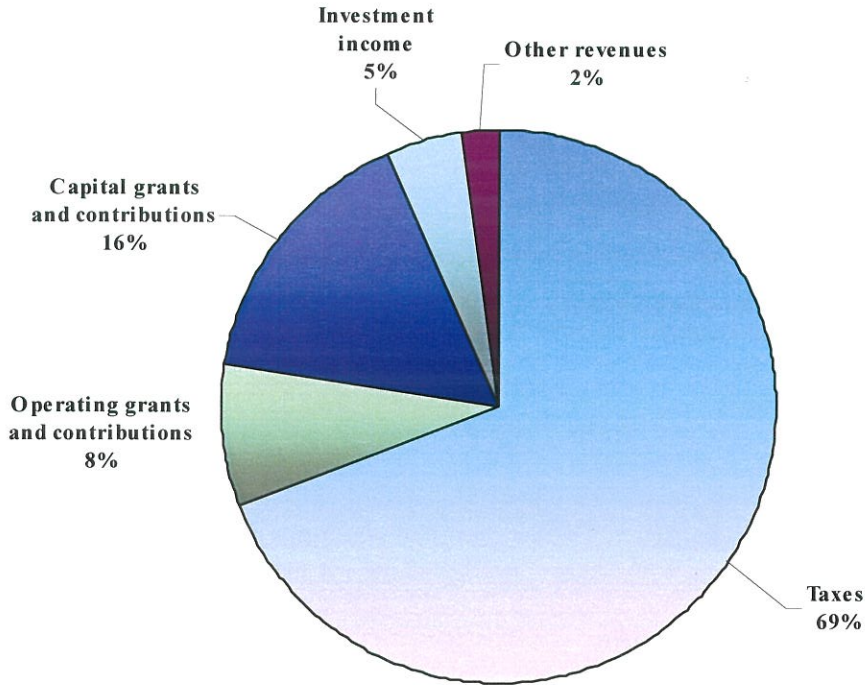
**Statement of Activities Changes**  
**For the Years Ended June 30, 2009 and 2008**

	2009	2008
Revenues:		
Program revenues:		
Charges for services	\$1,361,860	\$1,599,632
Operating grants and contributions	1,894,247	4,884,543
Capital grants and contributions	3,555,911	0
General revenues:		
Taxes	15,534,187	15,682,063
Intergovernmental revenues	84,860	218,813
Investment Income	1,038,661	1,284,265
Other revenues	383,994	572,992
Total Revenues	23,853,720	24,242,308
Expenses:		
General government	3,054,767	2,930,987
Public safety	4,186,728	3,456,845
Public works	4,129,327	4,717,054
Community development	1,899,937	1,549,091
Transportation	490,714	711,876
Pass through to other agencies	3,805,788	3,436,430
Community services	1,992,453	1,590,653
Interest and fiscal charges	1,486,082	2,530,675
Total Expenses	21,045,796	20,923,611
Increase in net assets	2,807,924	3,318,697
Net Assets – Beginning of Year, Restated	82,959,728	79,641,031
Net Assets – End of Year	\$85,767,652	\$82,959,728

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2009**

The City's activities increased net assets by \$2.8 million, which was a 4 percent increase from the prior fiscal year. Revenues by source are shown in the chart below:

**Government Activities - Revenues by Source**  
**June 30, 2009**



Revenue highlights:

- ❖ Charges for services decreased \$238 thousand (15%) primarily due to declines in development related fees such as building and safety and planning.
- ❖ Operating grants and contributions decreased \$3.0 million, or 62%, in fiscal year 2008/09 primarily due to a \$500 thousand decrease in traffic improvement fees, related to the decline in development, coupled with the loss of several special grants primarily in the area of development.
- ❖ Capital grants and contributions increased \$3.6 million, or 100%, in fiscal year 2008/09. This primarily relates to \$600 thousand in a one-time grant received in fiscal year 2008/09 to acquire land to be used for open space and to \$2.7 million received in fiscal year 2008/09 for the reimbursement of costs for the Kanan Interchange Project.

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2009**

- ❖ Investment Income decreased \$245 thousand or 19% primarily due to the decrease in interest rates and the reclassification of rental income in 2008/09 from Investment Income to Miscellaneous Income.

Expense highlights:

Total expenses for the City's activities were \$21.0 million, \$122 thousand more than the prior fiscal year. Program revenues offset total expenditures as follows:

- ❖ Those who directly benefited from programs contributed \$1.4 million in charges for services.
- ❖ The City was able to fund some of its programs through operating grants and contributions from outside sources or other governments for a total amount of \$5.5 million.

As a result, total expenditures that were funded by tax revenues, investment income, grants and contributions not restricted to specific programs, and other general revenues were \$14.2 million.

Functional expenses (excluding interest on debt) for the years ended June 30, 2009 and 2008 were as follows (amount in millions):

	Total Cost of Services		Percent Change 2008/09	Net (Cost) Revenue of Services		Percent Change 2008/09
	2009	2008		2009	2008	
General government	\$ 3.1	\$ 2.9	7%	-2.3	-2.9	-21%
Public safety	4.2	3.5	20%	-3.5	-3.1	13%
Public works	4.1	4.7	-13%	-.2	-2.2	-91%
Community development	1.9	1.5	27%	-1.7	0.5	440%
Transportation	0.5	0.7	-29%	0.3	0.5	-40%
Pass thru to agencies	3.8	3.4	12%	-3.8	-3.4	12%
Community services	2.0	1.6	25%	-1.5	-1.3	16%
<b>Total</b>	<b>\$19.6</b>	<b>\$18.3</b>	<b>8%</b>	<b>-12.7</b>	<b>-11.9</b>	<b>7%</b>

In total, the net cost of services increased by \$800 thousand or 7 percent. Highlights of the changes are:

- ❖ Public works decreased \$2 million; primarily due to the fact that the City received a large grant (\$2 million) in 2008/09 reimbursing for costs associated with the Kanan Interchange and did not receive any grants in 2007/08.
- ❖ Community development increased \$2.2 million because the City received operating grants in fiscal year 2007/08.
- ❖ While the cost of services to provide Transportation decreased by \$200 thousand so did the operating grants received (\$500,000). The net of these two decreases led to a net increased cost of service of \$200 thousand (12%).

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2009**

- ❖ Pass through to agencies represents amounts paid by the Agoura Hills Redevelopment Agency to other agencies as part of our pass through agreements. As tax increment increases, so do the pass through amounts. This year, the amount increased \$400 thousand (12%).

***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 2008/09, the City's funds reported ending fund balances of \$43.7 million, a decrease of \$2.5 million in comparison with the prior fiscal year. The decrease in fund balance reflects the use of \$4.5 million in bond proceeds to purchase land within the Agoura Hills Redevelopment Agency offset by the receipt of \$2.1 million in grant monies for the Kanan Interchange. Of the \$43.7 million in fund balances at fiscal year end 2008/09, \$18.8 million is reserved to indicate that it is not available for appropriation because it had already been restricted for a variety of purposes. The remaining unreserved \$24.9 million is available for spending at the government's discretion.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2008/09, the fund balance of the General Fund was \$9.0 million, with only \$19,910 reserved for prepaid items. As a measure of the General Fund's liquidity, it is useful to compare total fund balance to total expenditures. At June 30, 2009, fund balance was 74 percent of total General Fund expenditures and transfers out.

Fund balance in the City's General Fund decreased by \$950,425 in fiscal year 2008/09, when compared to a decrease in fund balance of \$2.2 million in 2007/08. The 2008/09 decrease primarily relates to the purchase of the YB Property which has been dedicated as open space. The 2007/08 decrease related to a one-time transfer to the Other Grants Fund. The City anticipated receiving a Federal Appropriation to pay for the Kanan Interchange Capital Project, which was completed 2006/07. In July 2009, the Federal Appropriation was finally received and the City will transfer the resources to the General Fund in 2009/10 to pay for the project.

Taken as a whole, the three Redevelopment Agency Funds decreased fund balance by \$3.9 in 2008/09, as compared to an increase of \$15.5 million in 2007/08. The 2007/08 increase is primarily related to the June 2008 issuance of \$15.7 million in new bonded indebtedness. The decrease in fiscal year 2008/09 primarily relates to the purchase of property with the proceeds of the 2008 taxable bond proceeds.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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



**CITY OF AGOURA HILLS  
Management's Discussion and Analysis (MD&A)  
For the Year Ended June 30, 2009**

Amendments between the original budget and the final budget resulted in increased revenues of \$762 thousand, increased expenditures of \$1.5 million and increased transfers of \$54 thousand. These amendments resulted in an overall decrease to the fund balance of \$757 thousand.

The General Fund reflected a net total unfavorable budget variance of \$196 thousand, when comparing actual amounts to the final budget for the current fiscal year. The budget reflects a negative variance in revenues of \$519 thousand and a positive variance in total expenditures of \$323 thousand. The revenue variances primarily relate to the economic impact of the recession, particularly in the final quarter of the fiscal year. Revenues such as sales tax (\$261 thousand), transient occupancy tax (\$133 thousand) and building related fees (\$47 thousand) particularly declined at a greater than anticipated rate. The expenditure variances are primarily due to timing differences in planned expenditures.

**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, 2009, net capital assets totaled \$61.3 million.

This investment in capital assets includes land, construction in progress, buildings and improvements, leased equipment, vehicles, and infrastructure. The total increase in the City's investment of capital assets, net of related debt, for the current fiscal year is \$1.8 million or 3% of capital assets net of accumulated depreciation. The increase in capital assets primarily reflects the addition of \$1.6 million in land.

Major projects completed in fiscal year ended 2008/09 include:

- ❖ Citywide street resurfacing and sidewalk repairs
- ❖ Property acquisition for the Agoura Hills Redevelopment Agency Housing Set Aside.

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

	<b>2009</b>	<b>2008</b>
Land	\$8,341,428	\$ 6,732,663
Construction in progress	26,241,187	25,967,525
Building & improvements (Restated)	8,977,989	9,188,200
Vehicles	281,335	312,729
Infrastructure	17,445,096	17,524,306
Total Net Assets (Restated)	\$61,287,035	\$59,725,423

Additional information on the City's capital assets can be found in note 3(b) in the Basic financial Statements.

**CITY OF AGOURA HILLS**  
**Management's Discussion and Analysis (MD&A)**  
**For the Year Ended June 30, 2009**

**LONG-TERM DEBT**

At the end of the current fiscal year, the City of Agoura Hills had total debt outstanding of \$27.1 million. The City's long-term obligations as of June 30, 2009 and 2008 were as follows:

**City of Agoura Hills Outstanding Debt**

	<u>2009</u>	<u>2008</u>
2007 Lease Revenue Bonds	\$11,303,375	\$11,665,000
2008 RDA Tax allocation Bonds	5,750,000	5,750,000
2008 RDA Housing Set-Aside Bonds	9,824,915	9,819,609
Compensated Absences	251,648	231,733
Total Outstanding Debt	<u>\$27,129,938</u>	<u>\$27,250,684</u>

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

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

In preparing the budget for 2009-10 the following factors were taken in to consideration:

- ❖ Salary and benefits are estimated to adjust upward by 3%.
- ❖ Several anticipated large capital projects, including Citywide Street Resurfacing (\$859,926), Reyes Adobe Road Bridge Widening (\$10.9 million) and the design phase of the Chesebro Bridge Widening (\$750,000).

The City's operating budget for 2009/10 reflects the use of set-aside reserves to complete the expansion of the Reyes Adobe Interchange. It is anticipated that the City will remain in good financial condition throughout the fiscal year and beyond.

**REQUEST FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF AGOURA HILLS**  
**Statement of Net Assets**  
**June 30, 2009**

	<u><b>Governmental Activities</b></u>
<b>Assets:</b>	
Cash and investments	\$ 41,468,759
Receivables:	
Accounts and taxes	510,458
Interest	148,625
Deferred loans	608,303
Due from other governments	3,717,396
Other	678
Prepays	19,910
Deferred charges	1,134,429
Investment in Joint Venture - Community Center	2,306,345
Land held for resale	4,219,612
Capital assets, not being depreciated	34,582,615
Capital assets, being depreciated net	<u>26,704,420</u>
Total assets	<u>115,421,550</u>
<b>Liabilities:</b>	
Accounts payable and accrued liabilities	1,962,923
Interest payable	432,562
Unearned revenue	128,476
Noncurrent liabilities:	
Due within one year	384,915
Due in more than one year	<u>26,745,023</u>
Total liabilities	<u>29,653,899</u>
<b>Net assets:</b>	
Invested in capital assets, net of related debt	49,983,660
Restricted for:	
Special projects	10,395,593
Low/moderate income housing	13,116,456
Inclusionary housing in lieu	2,128,787
Debt service	880,587
Unrestricted	<u>9,262,568</u>
Total net assets	<u><u>\$ 85,767,651</u></u>

See Accompanying Notes to Financial Statements.

**CITY OF AGOURA HILLS**  
**Statement of Activities**  
**For the Year Ended June 30, 2009**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Change in Net Assets</u>
<b>Functions/Programs:</b>					<b>Total Governmental Activities</b>
Governmental activities:					
General government	\$ 3,054,767	\$ 155,154	\$ 6,123	\$ 600,000	\$ (2,293,490)
Public safety	4,186,728	575,792	104,435	-	(3,506,501)
Public works	4,129,327	162,319	1,004,873	2,736,990	(225,145)
Community development	1,899,937	182,152	-	-	(1,717,785)
Transportation	490,714	-	778,816	-	288,102
Pass through to other agencies	3,805,788	-	-	-	(3,805,788)
Community services	1,992,453	286,443	-	218,921	(1,487,089)
Interest and fiscal charges	1,486,082	-	-	-	(1,486,082)
<b>Total primary government</b>	<b>\$ 21,045,796</b>	<b>\$ 1,361,860</b>	<b>\$ 1,894,247</b>	<b>\$ 3,555,911</b>	<b>(14,233,778)</b>
General revenues:					
Taxes					15,534,187
Motor vehicle in lieu					84,860
Investment income					1,038,662
Miscellaneous revenues					383,992
Total general revenues					<u>17,041,701</u>
Change in net assets					2,807,923
Net assets, beginning of year, as restated					<u>82,959,728</u>
Net assets, end of year					<u>\$ 85,767,651</u>

See Accompanying Notes to Financial Statements.

**CITY OF AGOURA HILLS**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

	<b>Special Revenue</b>			
	<b>General</b>	<b>Traffic Improvement</b>	<b>Other Grants</b>	<b>Community Development Block Grant</b>
<b>Assets:</b>				
Cash and investments	\$ 8,363,362	\$ 5,761,262	\$ 45,714	\$ -
Receivables:				
Accounts	487,787	-	22,671	-
Interest	94,578	-	-	-
Deferred loans	-	-	-	332,785
Due from other governments	1,012,735	2,822	2,383,096	-
Other	678	-	-	-
Due from other funds	6,975	-	-	-
Prepays	19,910	-	-	-
Land held for resale	115,000	-	-	-
<b>Total assets</b>	<b>\$ 10,101,025</b>	<b>\$ 5,764,084</b>	<b>\$ 2,451,481</b>	<b>\$ 332,785</b>
<b>Liabilities and fund balances:</b>				
Liabilities:				
Accounts payable and accrued expenditures	\$ 859,125	\$ 309,426	\$ 25,179	\$ -
Due to other funds	-	-	-	-
Deferred revenue	147,000	-	225,229	332,785
<b>Total liabilities</b>	<b>1,006,125</b>	<b>309,426</b>	<b>250,408</b>	<b>332,785</b>
<b>Fund balances:</b>				
Reserved:				
Reserved for prepays	19,910	-	-	-
Reserved deferred loans receivable	-	-	-	-
Reserved for land held for resale	115,000	-	-	-
Reserved for low/moderate income housing	-	-	-	-
Reserved for inclusionary housing in lieu	-	-	-	-
Reserved for Reyes Adobe interchange project	-	-	-	-
Reserved for debt service	-	-	-	-
<b>Total reserved fund balance</b>	<b>134,910</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unreserved, reported in:				
General fund	8,959,990	-	-	-
Special revenue funds	-	5,454,658	2,201,073	-
Capital projects funds	-	-	-	-
Debt service fund	-	-	-	-
<b>Total unreserved</b>	<b>8,959,990</b>	<b>5,454,658</b>	<b>2,201,073</b>	<b>-</b>
<b>Total fund balances</b>	<b>9,094,900</b>	<b>5,454,658</b>	<b>2,201,073</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,101,025</b>	<b>\$ 5,764,084</b>	<b>\$ 2,451,481</b>	<b>\$ 332,785</b>

See Accompanying Notes to Financial Statements.

<b>Debt Service</b>		<b>Capital Projects</b>		<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Redevelopment</b>	<b>Redevelopment Set - Aside</b>	<b>Redevelopment</b>			
\$ 1,269,603	\$ 12,920,537	\$ 2,227,006		\$ 10,881,275	\$ 41,468,759
-	-	-		-	510,458
2,200	37,836	4,074		9,937	148,625
-	275,518	-		-	608,303
142,020	-	-		176,723	3,717,396
-	-	-		-	678
-	-	-		-	6,975
-	-	-		-	19,910
-	-	4,104,612		-	4,219,612
<u>\$ 1,413,823</u>	<u>\$ 13,233,891</u>	<u>\$ 6,335,692</u>		<u>\$ 11,067,935</u>	<u>\$ 50,700,716</u>
\$ 533,236	\$ 38,842	\$ 29,551		\$ 167,564	\$ 1,962,923
-	-	-		6,975	6,975
-	78,593	-		23,742	807,349
<u>533,236</u>	<u>117,435</u>	<u>29,551</u>		<u>198,281</u>	<u>2,777,247</u>
-	-	-		-	19,910
-	196,925	-		-	196,925
-	-	4,104,612		-	4,219,612
-	12,919,531	-		-	12,919,531
-	-	-		2,128,787	2,128,787
-	-	-		2,658,332	2,658,332
880,587	-	-		-	880,587
<u>880,587</u>	<u>13,116,456</u>	<u>4,104,612</u>		<u>4,787,119</u>	<u>23,023,684</u>
-	-	-		-	8,959,990
-	-	-		2,739,862	10,395,593
-	-	2,201,529		3,333,715	5,535,244
-	-	-		8,958	8,958
<u>-</u>	<u>-</u>	<u>2,201,529</u>		<u>6,082,535</u>	<u>24,899,785</u>
880,587	13,116,456	6,306,141		10,869,654	47,923,469
<u>\$ 1,413,823</u>	<u>\$ 13,233,891</u>	<u>\$ 6,335,692</u>		<u>\$ 11,067,935</u>	<u>\$ 50,700,716</u>

**CITY OF AGOURA HILLS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2009**

Fund balances of governmental funds	\$	47,923,469
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.		61,287,035
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.		2,306,345
The long term debt (e.g. bonds, leases) is not due and payable in the current period and therefore is not reported in the funds.		(27,129,938)
Deferred charges related to the issuance of long term debt are recorded as expenditures in governmental fund statements.		1,134,429
Interest on long-term debt liabilities are not due and payable in the current period and therefore are not reported in the funds.		(432,562)
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.		678,873
		678,873
Net assets of governmental activities	\$	85,767,651

See Accompanying Notes to Financial Statements.



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**CITY OF AGOURA HILLS**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2009**

	<u>Special Revenue</u>			
	<u>General</u>	<u>Traffic Improvement</u>	<u>Other Grants</u>	<u>Community Development Block Grant</u>
<b>Revenues:</b>				
Taxes	\$ 10,079,893	\$ -	\$ -	\$ -
Licenses and permits	265,706	-	-	-
Intergovernmental revenues	684,860	-	3,243,213	-
Charges for services	627,460	107,731	-	-
Fines and penalties	119,505	-	-	-
Investment income	230,549	140,990	1,082	-
Rental income	91,852	-	-	-
Other revenues	530,651	-	-	-
Total revenues	<u>12,630,476</u>	<u>248,721</u>	<u>3,244,295</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government	2,696,426	-	12,387	-
Pass through to other agencies	-	-	-	-
Public safety	3,977,718	-	49,850	-
Community development	1,155,960	-	-	-
Community services	1,568,932	-	72,265	-
Public works	1,668,164	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	1,682,879	701,338	204,671	-
Total expenditures	<u>12,750,079</u>	<u>701,338</u>	<u>339,173</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(119,603)</u>	<u>(452,617)</u>	<u>2,905,122</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in	7,609	-	-	-
Transfers out	(723,431)	-	-	-
Total other financing sources (uses)	<u>(715,822)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(835,425)</u>	<u>(452,617)</u>	<u>2,905,122</u>	<u>-</u>
Fund balances (deficits), beginning of year	<u>9,930,325</u>	<u>5,907,275</u>	<u>(704,049)</u>	<u>-</u>
Fund balances , end of year	<u>\$ 9,094,900</u>	<u>\$ 5,454,658</u>	<u>\$ 2,201,073</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements.

<b>Debt Service</b>		<b>Capital Projects</b>		<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Redevelopment</b>	<b>Redevelopment Set - Aside</b>	<b>Redevelopment</b>			
\$ 5,454,294	\$ -	\$ -		\$ -	\$ 15,534,187
-	-	-		-	265,706
-	-	-		1,612,318	5,540,391
-	-	-		115,861	851,052
-	-	-		153,535	273,040
14,341	315,859	87,551		248,290	1,038,662
-	-	-		-	91,852
-	25,000	-		102,839	658,490
<u>5,468,635</u>	<u>340,859</u>	<u>87,551</u>		<u>2,232,843</u>	<u>24,253,380</u>
-	74,420	-		79,736	2,862,969
3,735,011	-	70,777		-	3,805,788
-	-	-		159,160	4,186,728
-	330,116	413,861		-	1,899,937
-	-	-		303,821	1,945,018
-	-	57,566		816,957	2,542,687
-	-	-		165,000	165,000
744,545	-	-		501,431	1,245,976
-	250,000	6,108		957,027	3,802,023
<u>4,479,556</u>	<u>654,536</u>	<u>548,312</u>		<u>2,983,132</u>	<u>22,456,126</u>
989,079	(313,677)	(460,761)		(750,289)	1,797,254
744,545	1,091,532	639,362		723,431	3,206,479
(1,730,894)	(395,104)	(349,441)		(7,609)	(3,206,479)
(986,349)	696,428	289,921		715,822	-
2,730	382,751	(170,840)		(34,467)	1,797,254
877,857	12,733,705	6,476,981		10,904,121	46,126,215
<u>\$ 880,587</u>	<u>\$ 13,116,456</u>	<u>\$ 6,306,141</u>		<u>\$ 10,869,654</u>	<u>\$ 47,923,469</u>

**CITY OF AGOURA HILLS**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2009**

Net change in fund balances - total governmental funds \$ 1,797,254

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 capital outlay exceeded depreciation in the current period.

Capital expenditures	\$ 3,438,628	
Depreciation expense	<u>(1,877,016)</u>	1,561,612

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. (56,261)

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.

Principal payment	\$ 165,000	
Amortization of bond issuance costs	(40,765)	
Amortization of deferral on refunding and discount	(24,339)	
Change in compensated absences	<u>(19,915)</u>	79,981

Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (175,002)

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. (399,661)

Change on net assets of governmental activities \$ 2,807,923

See Accompanying Notes to Financial Statements.

**CITY OF AGOURA HILLS**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Fund**  
**June 30, 2009**

**Assets:**

Cash and investments

\$ 1,185,810

**Liabilities:**

Deposits payable

\$ 1,185,810

See Accompanying Notes to Financial Statements.

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**This page has been left blank intentionally.CITY OF AGOURA HILLS**  
**Notes to Financial Statements**  
**June 30, 2009**

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

The Agoura Hills 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 2008-2009. 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

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.

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

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

***(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.

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, 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, intergovernmental revenues and interest associated with the current



**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

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 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 Community Development Block Grant Special Revenue Fund is used to account for federal Housing and Community Development Act funds received through the County of Los Angeles Community Development Commission.

The Redevelopment Set-Aside Capital Projects Fund is used to account for financial resources that were required to be set-aside for low and moderate income housing and related expenditures.

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.

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

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:***

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

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 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 financial statements 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.

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**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.

**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. Fund balances are reserved in amounts equal to the carrying value of land held for resale because such assets are not available to finance the City’s current operations.

**5. *Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the governmental activities columns in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost 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

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

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

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

**6. *Vacation and Compensatory Time (Compensated Absences)***

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

**7. *Long-term Obligations***

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

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.

**(2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***(a) Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The City is required to adopt an annual budget resolution for the General Fund and Special Revenue Funds. All annual appropriations either lapse at year end or are carried forward at City Manager's discretion.

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

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**(b) Deficit Fund Balances**

The following funds had deficit fund balances at June 30, 2009:

**Nonmajor governmental fund:**

Supplemental law enforcement special revenue fund	\$	14,608
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This deficit is expected to be eliminated with reimbursements from the State.

**(3) DETAILED NOTES ON ALL FUNDS**

**(a) Cash and Investments**

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:		
Cash and investments	\$	41,468,759
Fudiciary Funds:		
Cash and investments		1,185,810
Total cash and investments	\$	<u>42,654,569</u>

Cash and investments at June 30, 2009 consisted of the following:

<b>Demand accounts (bank balances):</b>	\$	249,437
Add deposits in transit		8,193
Less outstanding checks		<u>(185,244)</u>
Book balance		72,386
Petty cash		<u>800</u>
Total deposits and petty cash		<u>73,186</u>
<b>Investments:</b>		
State of California Local Agency Investment Fund (LAIF)		<u>30,924,653</u>
Federal agency securities		<u>8,118,795</u>
Held by bond trustee		
State of California Local Agency Investment Fund (LAIF)		2,643,849
Money market funds		75,192
Federal agency securites		<u>818,894</u>
Total held by bond trustee		<u>3,537,935</u>
Total investments		<u>42,581,383</u>
Total cash and investments	\$	<u>42,654,569</u>

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

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

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

<u>Authorized Investments/Deposits</u>	<u>Portfolio Percentages</u>	<u>Maximum Maturity</u>
Local Agency Investment Fund** (LAIF)	\$40 million	N/A
U. S. Treasury Issues	Unlimited	5 Years
Federal Agency Securities		
Federal Farm Credit Bank (FFCB) and Federal Home Loan Bank (FHLB) only	30%	5 Years
Commercial Paper	25%	270 Days
Negotiable Certificates of Deposit (CD)	30%	5 Years
Medium Term Corporate Notes	30%	5 Years

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

***Investments Authorized by Debt Agreements:***

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

<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

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

***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 is approximately 235 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.

<b>Investment Types</b>	<b>Fair Value</b>	<b>Remaining Maturity (in Months)</b>		
		<b>12 Months or Less</b>	<b>13 to 24 Months</b>	<b>25 to 60 Months</b>
LAIF	\$ 30,924,653	\$ 30,924,653	\$ -	\$ -
Federal agency securities:				
FHLB	5,114,115	2,020,920	2,093,815	999,380
FFCB	3,004,680	-	-	3,004,680
Held by bond trustee:				
LAIF	2,643,849	2,643,849	-	-
Money market funds	75,192	75,192	-	-
Federal agency securities:				
FHLB	297,584	-	297,584	-
FFCB	521,310	-	-	521,310
	<u>\$ 42,581,383</u>	<u>\$ 35,664,614</u>	<u>\$ 2,391,399</u>	<u>\$ 4,525,370</u>

***Disclosures Relating to Credit Risk:***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Minimum Credit Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
LAIF	\$ 30,924,653	N / A	\$ -	\$ 30,924,653
Federal agency securities:				
FHLB	5,114,115	N / A	5,114,115	-
FFCB	3,004,680	N / A	3,004,680	-
Held by bond trustee:				
LAIF	2,643,849	N / A	-	2,643,849
Money market funds	75,192	AAA	75,192	-
Federal agency securities:				
FHLB	297,584	N / A	297,584	-
FFCB	521,310	N / A	521,310	-
<b>Total</b>	<b>\$ 42,581,383</b>		<b>\$ 9,012,881</b>	<b>\$ 33,568,502</b>

***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 (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank (FHLB)	Federal Agency Security	\$ 5,411,699
Federal Farm Credit Bank (FFCB)	Federal Agency Security	\$ 3,525,990

***Custodial Credit Risk:***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:



**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

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.

***Investment in State Investment Pool:***

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

The total amount invested by all public agencies in LAIF as of June 30, 2009 \$25.2 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2009 had a balance of \$50.7 billion. Of that amount, 15% was invested in structured notes and asset-backed securities. The average maturity of PMIA investments was 235 days as of June 30, 2009.

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

*(b) Interfund Receivables, Payables, and Transfers*

*Due to/Due from*

	<b>Due To General Fund</b>
<b>Due from:</b>	
Supplemental law enforcement nonmajor special revenue fund	\$ 6,975

The General Fund makes loans to other funds to cover the negative cash balance in those funds.

*Interfund transfers*

	<b>Transfers In</b>					<b>Totals</b>
	<b>Capital Projects</b>			<b>Redevelopment Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>	
	<b>General Fund</b>	<b>Redevelopment Set-Aside Fund</b>	<b>Redevelopment Fund</b>			
<b>Transfers out:</b>						
General fund	\$ -	\$ -	\$ -	\$ -	\$ 723,431	\$ 723,431
Redevelopment set-aside fund	-	-	-	395,104	-	395,104
Redevelopment capital projects fund	-	-	-	349,441	-	349,441
Redevelopment debt service fund	-	1,091,532	639,362	-	-	1,730,894
Nonmajor governmental fund	7,609	-	-	-	-	7,609
<b>Totals</b>	\$ 7,609	\$ 1,091,532	\$ 639,362	\$ 744,545	\$ 723,431	\$ 3,206,479

The purpose of transfers in and transfers out is to finance debt service and capital projects in accordance with budgetary authorizations, and to provide required housing set-aside funds.

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**(c) Capital Assets**

A summary of changes in capital asset activity for the year ended June 30, 2009 is as follows:

<u>Governmental Activities</u>	<u>Beginning Balance July 1, 2008 (1)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2009</u>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 6,732,663	\$ 1,608,765	\$ -	\$ 8,341,428
Construction in progress	25,967,525	1,225,390	(951,728)	26,241,187
Total capital assets, not being depreciated	<u>32,700,188</u>	<u>2,834,155</u>	<u>(951,728)</u>	<u>34,582,615</u>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	10,510,527	-	-	10,510,527
Vehicles	467,915	31,745	-	499,660
Infrastructure	55,031,411	1,524,456	-	56,555,867
Total capital assets, being depreciated	<u>66,009,853</u>	<u>1,556,201</u>	<u>-</u>	<u>67,566,054</u>
<b>Less: Accumulated depreciation for:</b>				
Buildings and improvements	1,322,327	210,211	-	1,532,538
Vehicles	155,186	63,139	-	218,325
Infrastructure	37,507,105	1,603,666	-	39,110,771
Total accumulated depreciation	<u>38,984,618</u>	<u>1,877,016</u>	<u>-</u>	<u>40,861,634</u>
Total capital assets, being depreciated	<u>27,025,235</u>	<u>(320,815)</u>	<u>-</u>	<u>26,704,420</u>
Governmental activities, capital assets	<u>\$ 59,725,423</u>	<u>\$ 2,513,340</u>	<u>\$ (951,728)</u>	<u>\$ 61,287,035</u>

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

**Governmental activities:**

General government	\$ 172,168
Public works	1,657,413
Parks and recreation	<u>47,435</u>

Total depreciation expense - governmental activities \$ 1,877,016

- (1) The beginning balance of Building and Improvement asset class and its related accumulated depreciation was restated to include community center building not previously recorded. See Note 4 (j).

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**(d) Long-term Liability**

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>	<u>Due within one year</u>
Governmental activities:					
2007 Lease revenue					
Refunding bonds	\$ 11,830,000	\$ -	\$ (165,000)	\$ 11,665,000	\$ 175,000
Bond discount	(60,921)	-	3,046	(57,875)	-
Deferred on refunding	(319,737)	-	15,987	(303,750)	-
2008 RDA Tax Allocation					
Bonds	5,750,000	-	-	5,750,000	55,000
2008 RDA Housing Set-Aside					
Bonds	10,000,000	-	-	10,000,000	135,000
Bond discount	(180,391)	-	5,306	(175,085)	-
Accrued compensated absences	231,733	226,950	(207,035)	251,648	19,915
Total governmental long-term liabilities	<u>\$ 27,250,684</u>	<u>\$ 226,950</u>	<u>\$ (347,696)</u>	<u>\$ 27,129,938</u>	<u>\$ 384,915</u>

**1. 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 defease \$8.8 million of 1999 Lease Revenue outstanding bonds. The principal of the bonds is payable on their maturity date of February 1, of each year. Interest on the bond is payable on February 1, and August 1, each year. The outstanding balance at June 30, 2009 is \$11,303,375, net of unamortized discount of \$57,875 and deferral on refunding of \$303,750.

The future debt service payments are as follows:

<u>Year Ending June 30</u>	<u>Lease Revenue Bond</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 175,000	\$ 494,831	\$ 669,831
2011	180,000	487,831	667,831
2012	185,000	480,631	665,631
2013	195,000	473,231	668,231
2014	200,000	465,431	665,431
2015-2019	1,140,000	2,199,650	3,339,650
2020-2024	1,380,000	1,955,494	3,335,494
2025-2029	1,690,000	1,644,901	3,334,901
2030-2034	2,090,000	1,250,550	3,340,550
2035-2039	2,590,000	752,281	3,342,281
2040-2043	1,840,000	163,406	2,003,406
<b>Total</b>	<u>\$ 11,665,000</u>	<u>\$ 10,368,237</u>	<u>\$ 22,033,237</u>

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**2. 2008 Redevelopment Agency Tax Allocation Bonds**

On May 23, 2008, the Agoura Hills Redevelopment Agency issued \$5,750,000 of Series 2008 A-T tax allocation bonds with interest rates ranging from 4.728% to 6.53%. The proceeds from the sale of bonds will be used to finance redevelopment projects benefiting the Agoura Hills Redevelopment Project areas. The Agency has pledged tax increment revenues to repay the entire principal and interest on the bonds. Principal of the bonds is payable on their maturity date of October 1 of each year. Interest on the bonds is payable on April 1 and October 1 each year. Total principal and interests remaining on the bond is \$15,545,186, payable through October 2041. For the current year, principal and interest paid and total tax increment revenues were \$349,441 and \$4,362,762 respectively. The outstanding balance at June 30, 2009 is \$5,750,000.

The future debt service payments are as follows:

<b>Year Ending June 30</b>	<b>2008 Tax Allocation Bonds Series A-T</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 55,000	\$ 423,696	\$ 478,696
2011	55,000	421,027	476,027
2012	60,000	418,089	478,089
2013	60,000	414,889	474,889
2014	65,000	411,429	476,429
2015-2019	380,000	1,993,230	2,373,230
2020-2024	525,000	1,844,662	2,369,662
2025-2029	735,000	1,623,025	2,358,025
2030-2034	1,055,000	1,293,381	2,348,381
2035-2039	1,525,000	801,388	2,326,388
2040-2042	1,235,000	150,370	1,385,370
<b>Total</b>	<b>\$ 5,750,000</b>	<b>\$ 9,795,186</b>	<b>\$ 15,545,186</b>

**3. 2008 Redevelopment Agency Housing Set-Aside Tax Allocation Bonds**

On May 23, 2008, the Agoura Hills Redevelopment Agency issued \$10,000,000 of Series 2008 Housing Set-Aside Tax Allocation bonds with interest rates ranging from 4.00% to 4.75%. The proceeds from the bond will be issued to finance low and moderate income housing of the Agency. The Agency has pledged Housing Set-Aside Revenues to repay the entire principal and interest on the bonds. Principal of the Bonds is payable on their maturity date of October 1 of each year. Interest on the bonds will be payable semi-annually on April 1 and October 1 of each year commencing October 1, 2008. Total principal and interest remaining on the bonds is \$20,160,396, payable through October 2041. For the current year, principal and interest paid and total Housing Set-Aside revenues were \$395,103 and \$1,091,532 respectively. The outstanding balance at June 30, 2009 is \$9,824,915, net of unamortized discount of \$175,085.

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

The future debt service payments are as follows:

<b>Year Ending June 30</b>	<b>Housing Set-Aside Tax Allocation Bonds 2008</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 135,000	\$ 477,831	\$ 612,831
2011	145,000	472,231	617,231
2012	150,000	466,331	616,331
2013	155,000	460,231	615,231
2014	160,000	453,931	613,931
2015-2019	905,000	2,164,516	3,069,516
2020-2024	1,125,000	1,942,700	3,067,700
2025-2029	1,415,000	1,636,125	3,051,125
2030-2034	1,810,000	1,235,500	3,045,500
2035-2039	2,315,000	721,875	3,036,875
2040-2042	1,685,000	129,125	1,814,125
<b>Total</b>	<b>\$ 10,000,000</b>	<b>\$ 10,160,396</b>	<b>\$ 20,160,396</b>

**4. Employee Compensated Absences Payable**

The City's policies relating to compensated absences are described in Note (1)(d)5. This liability will be paid in future years from future resources.

**5. Bond Defeasance**

In fiscal year 2006-2007, the City of Agoura Hills defeased 1999 Lease Revenue Bonds by placing the proceeds of the 2007 Lease Revenue Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. These bonds were defeased and there was no outstanding liability as of June 30, 2009.

**(e) Reserved Fund Balances**

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

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

Reserved fund balances at June 30, 2009 are as follows:

	<b>General Fund</b>	<b>Capital Projects Redevelopment Set-Aside</b>	<b>Redevelopment Debt Service</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total</b>
<b>Reserved for:</b>					
Prepays	\$ 19,910	\$ -	\$ -	\$ -	\$ 19,910
Deferred loans receivable	-	196,925	-	-	196,925
Low/moderate income housing	-	12,919,531	-	-	12,919,531
Inclusionary housing in lieu	-	-	-	2,128,787	2,128,787
Reyes Adobe interchange project	-	-	-	2,658,332	2,658,332
Reserved for debt service	-	-	880,587	-	880,587
	<u>\$ 19,910</u>	<u>\$ 13,116,456</u>	<u>\$ 880,587</u>	<u>\$ 4,787,119</u>	<u>\$ 18,804,072</u>
Total reserved fund balance	<u>\$ 19,910</u>	<u>\$ 13,116,456</u>	<u>\$ 880,587</u>	<u>\$ 4,787,119</u>	<u>\$ 18,804,072</u>

**(4) OTHER INFORMATION**

**(a) Defined Benefit Pension Plan**

Plan Description: The City of Agoura Hills contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 "P" Street, Sacramento, 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 10.88% 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, 2009, the City's annual pension cost of \$307,147 for PERS was equal to the City's required and actual contributions.

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

*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>
6/30/07	\$ 262	100	\$ -0-
6/30/08	282	100	-0-
6/30/09	307	100	-0-

**(b) Self-Insurance**

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

The City of Agoura Hills is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 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). 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 allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) 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; (3) losses from \$750,000 to \$2,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$2,000,000 to \$50,000,000 are paid under reinsurance and excess insurance policies (4b) subject to a \$3,000,000 annual aggregate deductible (4c) and a quota-sharing agreement whereby the Authority is financially responsible for 40% of losses occurring within the \$2,000,000 to \$10,000,000 layer. The costs associated with 4a-c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits. The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence. Costs of covered claims for subsidence losses are paid by excess insurance with the following sub-limits per member: \$25,000,000 per occurrence with a \$15,000,000 annual aggregate.



**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

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). 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. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) 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; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law. Employer's Liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

**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 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, 2008 through July 1, 2011. Each member of the Authority has a \$10,000,000 sub-limit during the 3-year term of the policy.

Property Insurance – The City of Agoura Hills participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Agoura Hills property is currently insured according to a schedule of covered property submitted by City of Agoura Hills to the Authority. City of Agoura Hills property currently has all-risk property insurance protection in the amount of \$14,823,693. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to 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. 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 a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**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.

**(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:

<b>Year Ending June 30</b>	<b>Recreation Center</b>
2010	\$ 21,230
2011	21,230
Total lease payments	\$ 42,460

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, 2009, the City incurred expenditures of approximately \$114,583 and \$3,543,519 for Public Works and Public Safety services, respectively.

**(d) Joint Venture**

On November 24, 1997, the Agoura Hills and Calabasas Community Center Authority (Authority) was created under a joint exercise of powers agreement. It was formed for the construction, furnishing, maintenance and operation of a Joint Recreation Center. The governing Board of Directors consists of one City Council Member from each City, two residents of each City appointed by City Council, and the President or a member of the Executive Board of the Alliance (a nonprofit organization formed for the sole purpose of raising funds for the Center). The City's participation in the joint venture is reported as Investment in Joint Venture, on the statement of net assets. The balance at June 30, 2009 was \$2,306,345.

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

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, 2009.

***(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, 2009, the City has outstanding loans in the amount of \$332,785. During the fiscal year ending June 30, 2009 the City had no new loans. The City records their loans as deferred loans receivable and deferred revenue in the Community Development Block Grant Special Revenue Fund.

***(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 \$25,000 which is due to the Agency upon the sale or refinancing of the property. The first time homebuyer program offers qualified applicants up to \$85,900, which is due upon sale or refinancing of the property. As of June 30, 2009, the Agency has outstanding loans in the amount of \$189,618 for rehabilitation loans, and \$85,900 for first time homebuyer loans. The Agency records these loans as deferred loans receivable in the Redevelopment Set-Aside Capital Projects Fund.

***(g) Contingency***

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

There are certain legal actions pending against the City which have arisen in the normal course of operations. Management believes these matters will be covered by insurance; however, their outcome and financial effect on the City cannot presently be determined, and no provision for any potential liability or losses has been included in the financial statements as of June 30, 2009.

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 and therefore the advance is not reflected in the financial statements. There were no advances during the fiscal year 2008-09. The balance at June 30, 2009 was \$16,414,328.

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

**(i) Other Post-Retirement Health Care Benefits**

In addition to the pension benefits defined in Note (4)(a), the City provides post-retirement health care benefits to all full time employees in accordance with the City’s contract with the Public Employees’ Retirement System (PERS) for participation in the State of California Public Employees’ Medical and Hospital Care Act (PEMCHA). The City’s contribution for each retiree is the same as full time employees. These benefits are financed on a “pay as you go basis. The City contributed the PEMCHA minimum for all retirees (\$101 for 2009). Additionally, the City contributes longevity pay to a Retirement Health Savings (RHS) plan of up to \$399 for those retirees with 10 years of service with the City of Agoura Hills, enrolled in a CalPERS health plan. 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 12 months. The plan was modified in January 2009 to reduce the City’s liability under GASB 45. As of June 30, 2009, there were 10 retired employees. The City expended \$70,952 for retiree health insurance during the fiscal year ended June 30, 2009. The City will implement Government Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, during the fiscal year 2009/2010.

**(j) Restatement of Net Assets**

The beginning net assets as of July 1, 2008 has been restated to include the community center building not previously recorded in the Building and Improvements asset class. The adjustment, net of accumulated depreciation, is shown in the following table:

	Government-wide Net Assets
Balance at June 30, 2008, previously reported	\$ 82,550,232
Restatement	409,496
Balance at June 30, 2008, restated	\$ 82,959,728

**(5) SUBSEQUENT EVENTS**

**(a) SERAF**

On July 24, 2009, the State Legislature passed Assembly Bill (AB) 26 4x, which requires redevelopment agencies statewide to deposit a total of \$2.05 billion of property tax increment in county “Supplemental” Educational Revenue Augmentation Funds (SERAF) to be distributed to meet the State’s Proposition 98 obligations to schools. The SERAF revenue shift of \$2.05 billion will be made over two years, \$1.7 billion in fiscal year 2009-2010 and \$350 million in fiscal year

**CITY OF AGOURA HILLS**  
**Notes to Financial Statements (Continued)**  
**June 30, 2009**

2010-2011. The SERAF would then be paid to school districts and the county offices of education which have students residing in redevelopment project areas, or residing in affordable housing projects financially assisted by a redevelopment agency, thereby relieving the State of payments to those schools. The Agency's share of this revenue shift is approximately \$1,437,600 in fiscal year 2009-2010 and \$251,094 in fiscal year 2010-2011. Payments are to be made by May 10 of each respective fiscal year. In response to AB 26 4x, the Agency intends to borrow from the Housing Funds.

The California Redevelopment Association (CRA) is the lead petitioner on a lawsuit to invalidate AB 26 4x, similar to last year's successful lawsuit challenging the constitutionality of AB 1389. CRA filed its lawsuit on October 20, 2009. The lawsuit asserts that the transfer of property tax increment to the SERAF is not permitted under Article XVI, Section 16 of the California Constitution. The complaint also asserts impairment of contract and gift of public funds arguments. While the State made adjustments in AB 26 4x to address the constitutional issues raised by the Superior Court over last year's lawsuit challenging AB 1389, the Agency, along with the CRA and other California redevelopment agencies, believe that the SERAF remains unconstitutional.

***(b) Construction Commitment***

On July 28, 2009, the City Council awarded a bid for the expansion of the U.S. /101 Reyes Adobe Road Interchange to Powell Construction in the amount of \$4,636,385. Construction is anticipated to begin October 2009.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF AGOURA HILLS**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Sales tax	\$ 2,835,521	\$ 2,725,970	\$ 2,464,577	\$ (261,393)
Other taxes:				
Property taxes	4,728,808	4,999,806	4,993,008	(6,798)
Property transfer tax	100,000	100,000	90,662	(9,338)
Transient occupancy tax	1,800,000	1,900,000	1,767,254	(132,746)
Franchise fee	685,500	730,000	764,392	34,392
Total other taxes	7,314,308	7,729,806	7,615,316	(114,490)
Licenses and permits:				
Business registration	61,000	61,000	59,466	(1,534)
Building permits	300,000	200,000	192,823	(7,177)
Other licenses and fees	10,000	12,000	13,417	1,417
Total licenses and permits	371,000	273,000	265,706	(7,294)
Intergovernmental:				
Motor vehicle in lieu	148,000	100,000	84,860	(15,140)
Other grants		747,000	600,000	(147,000)
State mandated cost	850	850	-	(850)
Total intergovernmental	148,850	847,850	684,860	(162,990)
Charges for services:				
Planning fees	275,000	175,000	145,947	(29,053)
Engineer plan check/inspection	85,000	22,000	21,215	(785)
Grading plan check	10,000	3,000	2,025	(975)
Building plan check	295,000	133,000	107,895	(25,105)
Encroachment permits	55,000	20,000	30,316	10,316
Park and recreation fees	374,450	325,000	283,718	(41,282)
Special event fees	1,500	2,300	2,724	424
Sale of maps and copies	3,000	3,000	3,836	836
SCACQ administrative service charges	1,200	1,200	1,200	-
Waste hauling administrative charges	26,947	26,947	26,947	-
Fire development fee	-	3,000	1,545	(1,455)
SIMP administrative fee	200	100	92	(8)
Total charges for services	1,127,297	714,547	627,460	(87,087)
Fines and penalties:				
Parking fines	65,000	85,000	86,971	1,971
False alarm fines	2,000	3,000	4,200	1,200
Restitution	-	500	2,912	2,412
Municipal court fines	18,000	20,000	25,422	5,422
Total fines and penalties	85,000	108,500	119,505	11,005

(Continued)



**CITY OF AGOURA HILLS**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Investment income	300,000	190,000	230,549	40,549
Rental income	77,039	85,800	91,852	6,052
Other revenues	128,733	473,800	530,651	56,851
Total revenues	<u>12,387,748</u>	<u>13,149,273</u>	<u>12,630,476</u>	<u>(518,797)</u>
<b>Expenditures:</b>				
General government:				
City council	110,344	110,344	104,724	5,620
City manager	461,116	472,116	461,138	10,978
City clerk	287,013	287,713	277,222	10,491
City attorney	235,000	340,000	339,428	572
Finance	439,029	439,029	415,323	23,706
Public facilities	244,000	261,782	261,782	-
Nondepartmental	713,321	730,621	682,815	47,806
Automated office systems	181,963	184,440	153,994	30,446
Total general government	<u>2,671,786</u>	<u>2,826,045</u>	<u>2,696,426</u>	<u>129,619</u>
Public safety:				
L.A. County sheriff	3,519,877	3,420,686	3,394,860	25,826
Disaster response team	56,863	54,863	50,711	4,152
Building and safety	702,969	557,569	531,135	26,434
Animal control	22,200	18,200	1,012	17,188
Total public safety	<u>4,301,909</u>	<u>4,051,318</u>	<u>3,977,718</u>	<u>73,600</u>
Community development:				
Planning and administration	1,121,015	1,179,815	1,155,960	23,855
Total community development	<u>1,121,015</u>	<u>1,179,815</u>	<u>1,155,960</u>	<u>23,855</u>
Community services:				
Recreation	610,650	594,700	512,646	82,054
Community services administration	1,097,397	1,112,697	1,056,286	56,411
Total community services	<u>1,708,047</u>	<u>1,707,397</u>	<u>1,568,932</u>	<u>138,465</u>

(Continued)

**CITY OF AGOURA HILLS**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Public works:				
Administration	911,544	844,044	795,265	48,779
Street maintenance	20,000	16,088	16,088	-
Landscape maintenance	265,700	218,363	218,363	-
Drain and flood maintenance	415,000	661,655	638,448	23,207
Total public works	<u>1,612,244</u>	<u>1,740,150</u>	<u>1,668,164</u>	<u>71,986</u>
Capital outlay	<u>300,000</u>	<u>1,682,934</u>	<u>1,682,879</u>	<u>55</u>
Total expenditures	<u>11,715,001</u>	<u>13,187,659</u>	<u>12,750,079</u>	<u>437,580</u>
Excess (deficiency) of revenues over expenditures	<u>672,747</u>	<u>(38,386)</u>	<u>(119,603)</u>	<u>(81,217)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	7,609	7,609	-
Transfers out	<u>(669,931)</u>	<u>(723,438)</u>	<u>(723,431)</u>	<u>7</u>
Total other financing sources (uses)	<u>(669,931)</u>	<u>(715,829)</u>	<u>(715,822)</u>	<u>7</u>
Net change in fund balance	2,816	(754,215)	(835,425)	(81,210)
Fund balance, beginning of year	<u>9,930,325</u>	<u>9,930,325</u>	<u>9,930,325</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,933,141</u>	<u>\$ 9,176,110</u>	<u>\$ 9,094,900</u>	<u>\$ (81,210)</u>

See Accompanying Note to Required Supplementary Information.

**CITY OF AGOURA HILLS  
Traffic Improvement Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 400,000	\$ 155,000	\$ 107,731	\$ (47,269)
Investment income	200,000	150,000	140,990	(9,010)
Total revenues	600,000	305,000	248,721	(56,279)
<b>Expenditures:</b>				
Capital outlay	3,069,000	821,000	701,338	119,662
Net change in fund balance	(2,469,000)	(516,000)	(452,617)	63,383
Fund balance, beginning of year	5,907,275	5,907,275	5,907,275	-
Fund balance, end of year	<u>\$ 3,438,275</u>	<u>\$ 5,391,275</u>	<u>\$ 5,454,658</u>	<u>\$ 63,383</u>

See Accompanying Note to Required Supplementary Information.

**CITY OF AGOURA HILLS**  
**Other Grants Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 2,377,398	\$ 1,493,501	\$ 3,243,213	\$ 1,749,712
Investment income	-	-	1,082	1,082
Other revenues	34,000	84,000	-	(84,000)
	<u>2,411,398</u>	<u>1,577,501</u>	<u>3,244,295</u>	<u>1,666,794</u>
<b>Expenditures:</b>				
Current:				
General government	12,350	12,387	12,387	-
Public safety	19,692	54,492	49,850	4,642
Community services	34,000	84,000	72,265	11,735
Capital outlay	2,350,000	936,261	204,671	731,590
	<u>2,416,042</u>	<u>1,087,140</u>	<u>339,173</u>	<u>747,967</u>
Net change in fund balance	(4,644)	490,361	2,905,122	2,414,761
Fund balance (deficit), beginning of year	<u>(704,049)</u>	<u>(704,049)</u>	<u>(704,049)</u>	-
Fund balance (deficit), end of year	<u>\$ (708,693)</u>	<u>\$ (213,688)</u>	<u>\$ 2,201,073</u>	<u>\$ 2,414,761</u>

See Accompanying Note to Required Supplementary Information.

**CITY OF AGOURA HILLS**  
**Note to Required Supplementary Information**  
**June 30, 2009**

**(1) 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, Special Revenue Funds, Redevelopment Capital Projects Fund and Debt Service Funds. All annual appropriations either lapse at year end or are carried forward at City Manager's discretion.

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

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**SUPPLEMENTARY INFORMATION**

**CITY OF AGOURA HILLS**  
**Redevelopment Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Taxes	\$ 5,200,000	\$ 5,454,294	\$ 254,294
Investment income	10,000	14,341	4,341
Total revenues	<u>5,210,000</u>	<u>5,468,635</u>	<u>258,635</u>
<b>Expenditures:</b>			
Current:			
Pass through to other agencies	3,735,265	3,735,011	254
Debt service			
Interest and fiscal charges	<u>744,545</u>	<u>744,545</u>	<u>-</u>
Total expenditures	<u>4,479,810</u>	<u>4,479,556</u>	<u>254</u>
Excess (deficiency) of revenues over expenditures	<u>730,190</u>	<u>989,079</u>	<u>258,889</u>
<b>Other financing sources (uses):</b>			
Transfers in	744,545	744,545	-
Transfers out	<u>(1,730,894)</u>	<u>(1,730,894)</u>	<u>-</u>
Total other financing sources (uses)	<u>(986,349)</u>	<u>(986,349)</u>	<u>-</u>
Net change in fund balance	(256,159)	2,730	258,889
Fund balance, beginning of year	<u>877,857</u>	<u>877,857</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 621,698</u></u>	<u><u>\$ 880,587</u></u>	<u><u>\$ 258,889</u></u>



**CITY OF AGOURA HILLS**  
**Redevelopment Set-Aside Capital Projects Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Investment income	\$ 300,000	\$ 315,859	\$ 15,859
Other revenues	-	25,000	25,000
<b>Total revenues</b>	<b>300,000</b>	<b>340,859</b>	<b>40,859</b>
<b>Expenditures:</b>			
Current:			
General government	77,304	74,420	2,884
Community development	544,725	330,116	214,609
Capital outlay	250,000	250,000	-
<b>Total expenditures</b>	<b>872,029</b>	<b>654,536</b>	<b>217,493</b>
Excess (deficiency) of revenues over expenditures	(572,029)	(313,677)	258,352
<b>Other financing sources (uses):</b>			
Transfers in	1,091,532	1,091,532	-
Transfers out	(395,104)	(395,104)	-
<b>Total other financing sources (uses)</b>	<b>696,428</b>	<b>696,428</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>124,399</b>	<b>382,751</b>	<b>258,352</b>
Fund balance, beginning of year	12,733,705	12,733,705	-
<b>Fund balance, end of year</b>	<b>\$ 12,858,104</b>	<b>\$ 13,116,456</b>	<b>\$ 258,352</b>

**CITY OF AGOURA HILLS**  
**Redevelopment Capital Projects Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Investment income	\$ 100,000	\$ 87,551	\$ (12,449)
Total revenues	100,000	87,551	(12,449)
<b>Expenditures:</b>			
Current:			
Pass through to other agencies	92,200	70,777	21,423
Community development	444,518	413,861	30,657
Public works	59,939	57,566	2,373
Capital outlay	6,108	6,108	-
Total expenditures	602,765	548,312	54,453
Excess (deficiency) of revenues over expenditures	(502,765)	(460,761)	42,004
<b>Other financing sources (uses):</b>			
Transfers in	638,362	639,362	1,000
Transfers out	(349,441)	(349,441)	-
Total other financing sources (uses)	288,921	289,921	1,000
Net change in fund balance	(213,844)	(170,840)	43,004
Fund balance, beginning of year	6,476,981	6,476,981	-
Fund balance, end of year	\$ 6,263,137	\$ 6,306,141	\$ 43,004

## 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.

**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.

**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.

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

**CITY OF AGOURA HILLS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2009**

	<u>Special Revenue</u>			
	<u>Traffic Safety</u>	<u>Transit Tax</u>	<u>Public Transit</u>	<u>Air Quality Management</u>
<b>Assets:</b>				
Cash and investments	\$ 74,870	\$ 915,355	\$ 945,186	\$ 27,916
Receivables:				
Interest	-	-	-	-
Due from other governments	<u>12,547</u>	<u>32,823</u>	<u>-</u>	<u>6,600</u>
Total assets	<u>\$ 87,417</u>	<u>\$ 948,178</u>	<u>\$ 945,186</u>	<u>\$ 34,516</u>
<b>Liabilities and fund balances:</b>				
Liabilities:				
Accounts payable and accrued expenditures	\$ 7,995	\$ 47,511	\$ 2,473	\$ -
Due to other funds	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,995</u>	<u>47,511</u>	<u>2,473</u>	<u>-</u>
Fund balances:				
Reserved for inclusionary housing in lieu	-	-	-	-
Reserved for Reyes Adobe interchange project	-	-	-	-
Unreserved:				
Undesignated	<u>79,422</u>	<u>900,667</u>	<u>942,713</u>	<u>34,516</u>
Total fund balances	<u>79,422</u>	<u>900,667</u>	<u>942,713</u>	<u>34,516</u>
Total liabilities and fund balances	<u>\$ 87,417</u>	<u>\$ 948,178</u>	<u>\$ 945,186</u>	<u>\$ 34,516</u>

<b>Supplemental Law Enforcement</b>	<b>Special Revenue</b>			<b>Debt Service</b>	<b>Capital Projects</b>
	<b>Solid Waste Management</b>	<b>Traffic Congestion Relief</b>	<b>State Gas Tax</b>	<b>Debt Service</b>	<b>Recreation Center</b>
\$ -	\$ 173,214	\$ 276,857	\$ 348,022	\$ 8,958	3,280,215
-	-	-	-	-	-
25,000	19,765	47,029	32,959	-	-
<u>\$ 25,000</u>	<u>\$ 192,979</u>	<u>\$ 323,886</u>	<u>\$ 380,981</u>	<u>\$ 8,958</u>	<u>3,280,215</u>
\$ 8,891	\$ 280	\$ -	\$ 100,414	\$ -	\$ -
6,975	-	-	-	-	-
23,742	-	-	-	-	-
<u>39,608</u>	<u>280</u>	<u>-</u>	<u>100,414</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
(14,608)	192,699	323,886	280,567	8,958	3,280,215
<u>(14,608)</u>	<u>192,699</u>	<u>323,886</u>	<u>280,567</u>	<u>8,958</u>	<u>3,280,215</u>
<u>\$ 25,000</u>	<u>\$ 192,979</u>	<u>\$ 323,886</u>	<u>\$ 380,981</u>	<u>\$ 8,958</u>	<u>3,280,215</u>

(Continued)

**CITY OF AGOURA HILLS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2009**

	<b>Capital Projects</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Inclusionary Housing In Lieu</b>	<b>Financing Authority Capital Projects</b>	<b>Storm Water Capital Projects</b>	
<b>Assets:</b>				
Cash and investments	\$ 2,128,787	\$ 2,648,395	\$ 53,500	\$ 10,881,275
Receivables:				
Interest	-	9,937	-	9,937
Due from other governments	-	-	-	176,723
 Total assets	 <u>\$ 2,128,787</u>	 <u>\$ 2,658,332</u>	 <u>\$ 53,500</u>	 <u>\$ 11,067,935</u>
<b>Liabilities and fund balances:</b>				
Liabilities:				
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ 167,564
Due to other funds	-	-	-	6,975
Deferred revenue	-	-	-	23,742
 Total liabilities	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>198,281</u>
Fund balances:				
Reserved for inclusionary housing in lieu	2,128,787	-	-	2,128,787
Reserved for Reyes Adobe interchange project	-	2,658,332	-	2,658,332
Unreserved:				
Undesignated	-	-	53,500	6,082,535
 Total fund balances	 <u>2,128,787</u>	 <u>2,658,332</u>	 <u>53,500</u>	 <u>10,869,654</u>
 Total liabilities and fund balances	 <u>\$ 2,128,787</u>	 <u>\$ 2,658,332</u>	 <u>\$ 53,500</u>	 <u>\$ 11,067,935</u>

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**CITY OF AGOURA HILLS**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2009**

	<b>Special Revenue</b>			
	<b>Traffic Safety</b>	<b>Transit Tax</b>	<b>Public Transit</b>	<b>Air Quality Management</b>
<b>Revenues:</b>				
Intergovernmental revenues	\$ -	\$ 336,661	\$ 277,309	\$ 26,475
Charges for services	-	38,379	-	-
Fines and penalties	153,535	-	-	-
Investment income	5,248	22,462	19,909	570
Other revenues	-	99,992	-	-
Total revenues	<u>158,783</u>	<u>497,494</u>	<u>297,218</u>	<u>27,045</u>
<b>Expenditures:</b>				
Current:				
General government	-	56,546	-	1,200
Public safety	57,894	-	-	-
Community services	-	230,654	-	-
Public works	197,086	434,168	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	<u>133,433</u>	<u>12,086</u>	<u>51,841</u>	<u>31,745</u>
Total expenditures	<u>388,413</u>	<u>733,454</u>	<u>51,841</u>	<u>32,945</u>
Excess (deficiency) of revenues over expenditures	(229,630)	(235,960)	245,377	(5,900)
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(229,630)	(235,960)	245,377	(5,900)
Fund balances, beginning of year	<u>309,052</u>	<u>1,136,627</u>	<u>697,336</u>	<u>40,416</u>
Fund balances (deficits), end of year	<u>\$ 79,422</u>	<u>\$ 900,667</u>	<u>\$ 942,713</u>	<u>\$ 34,516</u>



<b>Supplemental Law Enforcement</b>	<b>Special Revenue</b>			<b>Debt Service</b>	<b>Capital Projects</b>
	<b>Solid Waste Management</b>	<b>Traffic Congestion Relief</b>	<b>State Gas Tax</b>	<b>Debt Service</b>	<b>Recreation Center</b>
\$ 76,258	\$ -	\$ 521,259	\$ 374,356	\$ -	\$ -
-	77,482	-	-	-	-
-	-	-	-	-	-
371	4,340	4,086	6,224	273	77,474
-	2,847	-	-	-	-
<u>76,629</u>	<u>84,669</u>	<u>525,345</u>	<u>380,580</u>	<u>273</u>	<u>77,474</u>
-	-	-	-	4,785	17,205
101,266	-	-	-	-	-
-	73,167	-	-	-	-
-	-	-	185,703	-	-
-	-	-	-	165,000	-
-	-	-	-	501,431	-
-	-	506,875	221,047	-	-
<u>101,266</u>	<u>73,167</u>	<u>506,875</u>	<u>406,750</u>	<u>671,216</u>	<u>17,205</u>
(24,637)	11,502	18,470	(26,170)	(670,943)	60,269
-	-	-	-	669,931	-
-	-	(7,609)	-	-	-
-	-	(7,609)	-	669,931	-
(24,637)	11,502	10,861	(26,170)	(1,012)	60,269
<u>10,029</u>	<u>181,197</u>	<u>313,025</u>	<u>306,737</u>	<u>9,970</u>	<u>3,219,946</u>
<u>\$ (14,608)</u>	<u>\$ 192,699</u>	<u>\$ 323,886</u>	<u>\$ 280,567</u>	<u>\$ 8,958</u>	<u>\$ 3,280,215</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, 2009**

	<u>Capital Projects</u>			<b>Total Nonmajor Governmental Funds</b>
	<b>Inclusionary Housing In Lieu</b>	<b>Financing Authority Capital Projects</b>	<b>Storm Water Capital Projects</b>	
<b>Revenues:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 1,612,318
Charges for services	-	-	-	115,861
Fines and penalties	-	-	-	153,535
Investment Income	50,173	57,160	-	248,290
Other revenues	-	-	-	102,839
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	50,173	57,160	-	2,232,843
<b>Expenditures:</b>				
Current:				
General government	-	-	-	79,736
Public safety	-	-	-	159,160
Community services	-	-	-	303,821
Public works	-	-	-	816,957
Debt service:				
Principal	-	-	-	165,000
Interest and fiscal charges	-	-	-	501,431
Capital outlay	-	-	-	957,027
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-	2,983,132
Excess (deficiency) of revenues over expenditures	50,173	57,160	-	(750,289)
<b>Other financing sources:</b>				
Transfers in	-	-	53,500	723,431
Transfers out	-	-	-	(7,609)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	53,500	715,822
Net change in fund balances	50,173	57,160	53,500	(34,467)
Fund balances, beginning of year	2,078,614	2,601,172	-	10,904,121
Fund balances (deficits), end of year	<u>\$ 2,128,787</u>	<u>\$ 2,658,332</u>	<u>\$ 53,500</u>	<u>\$ 10,869,654</u>

**CITY OF AGOURA HILLS**  
**Nonmajor Traffic Safety Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Fines and penalties	\$ 140,000	\$ 153,535	\$ 13,535
Fines and penalties	10,000	5,248	(4,752)
	<u>150,000</u>	<u>158,783</u>	<u>8,783</u>
<b>Expenditures:</b>			
Current:			
Public safety	65,000	57,894	7,106
Public works	197,100	197,086	14
Capital outlay	135,000	133,433	1,567
	<u>397,100</u>	<u>388,413</u>	<u>8,687</u>
Net change in fund balance	(247,100)	(229,630)	17,470
Fund balance, beginning of year	<u>309,052</u>	<u>309,052</u>	<u>-</u>
Fund balance, end of year	<u>\$ 61,952</u>	<u>\$ 79,422</u>	<u>\$ 17,470</u>

**CITY OF AGOURA HILLS**  
**Nonmajor Transit Tax Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental revenues	\$ 433,124	\$ 336,661	\$ (96,463)
Charges for services	36,700	38,379	1,679
Investment income	30,000	22,462	(7,538)
Other revenues	99,000	99,992	992
	<u>598,824</u>	<u>497,494</u>	<u>(101,330)</u>
<b>Expenditures:</b>			
Current:			
General government	57,833	56,546	1,287
Community services	256,007	230,654	25,353
Public works	450,946	434,168	16,778
Capital outlay	25,000	12,086	12,914
	<u>789,786</u>	<u>733,454</u>	<u>56,332</u>
Net change in fund balance	(190,962)	(235,960)	(44,998)
Fund balance, beginning of year	<u>1,136,627</u>	<u>1,136,627</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 945,665</u></u>	<u><u>\$ 900,667</u></u>	<u><u>\$ (44,998)</u></u>

**CITY OF AGOURA HILLS**  
**Nonmajor Public Transit Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental revenues	\$ 308,146	\$ 277,309	\$ (30,837)
Investment income	22,000	19,909	(2,091)
Total revenues	330,146	297,218	(32,928)
<b>Expenditures:</b>			
Capital outlay	180,000	51,841	128,159
Net change in fund balance	330,146	245,377	95,231
Fund balance, beginning of year	697,336	697,336	-
Fund balance, end of year	<u>\$ 1,027,482</u>	<u>\$ 942,713</u>	<u>\$ 95,231</u>

**CITY OF AGOURA HILLS**  
**Nonmajor Air Quality Management Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental revenues	\$ 26,700	\$ 26,475	\$ (225)
Investment income	500	570	70
	<u>27,200</u>	<u>27,045</u>	<u>(155)</u>
<b>Expenditures:</b>			
Current:			
General government	1,200	1,200	-
Capital outlay	32,000	31,745	255
	<u>33,200</u>	<u>32,945</u>	<u>255</u>
Net change in fund balance	(6,000)	(5,900)	100
Fund balance, beginning of year	<u>40,416</u>	<u>40,416</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 34,416</u></u>	<u><u>\$ 34,516</u></u>	<u><u>\$ 100</u></u>

**CITY OF AGOURA HILLS**  
**Nonmajor Supplemental Law Enforcement Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental revenues	\$ 100,000	\$ 76,258	\$ (23,742)
Investment income	500	371	(129)
	100,500	76,629	(23,871)
<b>Expenditures:</b>			
Current:			
Public safety	104,047	101,266	2,781
Net change in fund balance	(3,547)	(24,637)	(21,090)
Fund balance, beginning of year	10,029	10,029	-
Fund balance, end of year	\$ 6,482	\$ (14,608)	\$ (21,090)

**CITY OF AGOURA HILLS**  
**Nonmajor Solid Waste Management Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Charges for services	\$ 82,500	\$ 77,482	\$ (5,018)
Investment income	6,000	4,340	(1,660)
Other revenues	2,750	2,847	97
	<hr/>	<hr/>	<hr/>
Total revenues	91,250	84,669	(6,581)
<b>Expenditures:</b>			
Current:			
Community services	74,392	73,167	1,225
	<hr/>	<hr/>	<hr/>
Net change in fund balance	16,858	11,502	(5,356)
Fund balance, beginning of year	181,197	181,197	-
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Fund balance, end of year	<u>\$ 198,055</u>	<u>\$ 192,699</u>	<u>\$ (5,356)</u>



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**CITY OF AGOURA HILLS**  
**Nonmajor State Gas Tax Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental revenues	\$ 403,467	\$ 374,356	\$ (29,111)
Investment income	6,500	6,224	(276)
	<u>409,967</u>	<u>380,580</u>	<u>(29,387)</u>
<b>Expenditures:</b>			
Current:			
Public works	350,000	185,703	164,297
Capital outlay	256,987	221,047	35,940
	<u>606,987</u>	<u>406,750</u>	<u>200,237</u>
Net change in fund balance	(197,020)	(26,170)	170,850
Fund balance, beginning of year	<u>306,737</u>	<u>306,737</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 109,717</u></u>	<u><u>\$ 280,567</u></u>	<u><u>\$ 170,850</u></u>

## **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, 2009**

	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2009</u>
<b>Assets:</b>				
Cash and investments	\$ 1,380,037	\$ 717,139	\$ (911,366)	\$ 1,185,810
<b>Liabilities:</b>				
Deposits payable	\$ 1,380,037	\$ 1,535,354	\$ (1,729,581)	\$ 1,185,810

# **Statistical Section**

**STATISTICAL SECTION**

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**CITY OF AGOURA HILLS**  
**Statistical Section (Unaudited)**  
**For the Year Ended June 30, 2009**

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b>	
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	83
<b>Revenue Capacity</b>	
<i>These schedules contain trend information to help the reader assess the government’s most significant current local revenue source, the property tax.</i>	89
<b>Debt Capacity</b>	
<i>These schedules contain present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	96
<b>Demographic and Economic Information</b>	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place</i>	100
<b>Operating Information</b>	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	103



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**CITY OF AGOURA HILLS**

**Net Assets by Component**

**Last Four Fiscal Years**

*(accrual basis of accounting)*

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Invested in capital assets, net of related debt	\$ 39,154,947	\$ 46,162,983	\$ 48,276,081 *	\$ 49,983,660
Restricted	11,384,644	8,427,779	23,887,822	26,521,423
Unrestricted	19,552,713	24,640,773	10,795,825	9,262,568
Total primary government net assets-restated	<u>\$ 70,092,304</u>	<u>\$ 79,231,535</u>	<u>\$ 82,959,728</u>	<u>\$ 85,767,651</u>

\*See note 4(i)-The beginning net assets of July 1, 2008 have been restated due to an error in recording of capital assets. The City adjusted the beginning building and improvements account to include the community center building.

Source: City of Agoura Hills financial data

**CITY OF AGOURA HILLS**

**Changes in Net Assets**

**Last Four Fiscal Years**

*(accrual basis of accounting)*

	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Expenses</b>				
Governmental activities				
General government	\$ 3,110,794	\$ 2,955,695	\$ 2,930,987	\$ 3,054,767
Public safety	2,719,899	2,917,439	3,456,845	4,186,728
Public works	3,291,807	2,797,710	4,717,054	4,129,327
Community development	3,605,839	1,424,676	1,549,091	1,899,937
Transportation	-	464,151	711,876	490,714
Pass through to other agencies	2,528,528	2,721,575	3,436,430	3,805,788
Community services	1,815,186	1,348,155	1,590,653	1,992,453
Interest and fiscal changes	463,903	245,668	2,530,675	1,486,082
Total primary government expenses	<u>\$ 17,535,956</u>	<u>\$ 14,875,069</u>	<u>\$ 20,923,611</u>	<u>\$ 21,045,796</u>
 <b>Program Revenues</b>				
Governmental activities				
Charges for Services				
General government	\$ 16,009	\$ 5,465	\$ -	\$ 155,154
Public safety	315,266	221,310	224,473	575,792
Public works	1,582,580	1,650,150	1,047,910	162,319
Community development	-	-	-	182,152
Community services	342,090	331,778	327,249	286,443
Operating grants and contributions	5,121,839	4,495,414	4,884,543	1,894,247
Capital grants and contributions	128,782	1,189,144	-	3,555,911
Total primary government program revenues	<u>\$ 7,506,566</u>	<u>\$ 7,893,261</u>	<u>\$ 6,484,175</u>	<u>\$ 6,812,018</u>

(Continued)

	Fiscal Year			
	2006	2007	2008	2009
<b>Net (Expense)/Revenue</b>				
Total primary government net expense	\$ (10,029,390)	\$ (6,981,808)	\$ (14,439,436)	\$ (14,233,778)
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes	11,598,025	\$ 14,159,127	\$ 15,682,063	\$ 15,534,187
Motor vehicle in lieu	1,709,143	145,874	218,813	84,860
Investment income	1,159,494	1,487,500	1,284,265	1,038,661
Other revenues	268,863	328,538	572,992	383,994
Miscellaneous	-	-	-	-
Total primary government	\$ 14,735,525	\$ 16,121,039	\$ 17,758,133	\$ 17,041,702
<b>Change in Net Assets</b>				
Total primary government	\$ 4,706,135	\$ 9,139,231	\$ 3,318,697	\$ 2,807,924

**CITY OF AGOURA HILLS**  
**Program Revenues by Function/Program**  
**Last Four Fiscal Years**  
*(accrual basis of accounting)*

<b>Function/Program</b>	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Governmental activities				
General government	\$ 16,009	\$ 285,465	\$ 4,738	\$ 761,277
Public safety	501,727	351,260	337,573	680,227
Public works	3,578,328	4,491,664	2,558,996	3,904,182
Community development	256,661	34,729	2,040,266	182,152
Transportation	2,811,751	2,398,365	1,215,353	778,816
Community services	342,090	331,778	327,249	505,364
Subtotal governmental activities	<u>7,506,566</u>	<u>7,893,261</u>	<u>6,484,175</u>	<u>6,812,018</u>
Total primary government	<u>\$ 7,506,566</u>	<u>\$ 7,893,261</u>	<u>\$ 6,484,175</u>	<u>\$ 6,812,018</u>

Source: City of Agoura Hills financial data

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

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Reserved	\$ 180,819	\$ 71,069	\$ 93,090	\$ 134,910
Unreserved	12,359,069	12,103,349	9,837,238	8,959,990
Total general fund	<u>\$ 12,539,888</u>	<u>\$ 12,174,418</u>	<u>\$ 9,930,328</u>	<u>\$ 9,094,900</u>
All Other Governmental Funds				
Reserved	\$ 4,098,168	\$ 7,448,983	\$ 18,291,348	\$ 22,888,774
Unreserved, reported in:				
Special revenue funds	7,286,476	3,500,346	8,197,646	10,395,593
Capital projects funds	3,278,994	4,613,514	9,696,926	5,535,244
Debt service funds	324,222	104,617	9,970	8,958
Total all other governmental funds	<u>\$ 14,987,860</u>	<u>\$ 15,667,460</u>	<u>\$ 36,195,890</u>	<u>\$ 38,828,569</u>

Source: City of Agoura Hills financial data

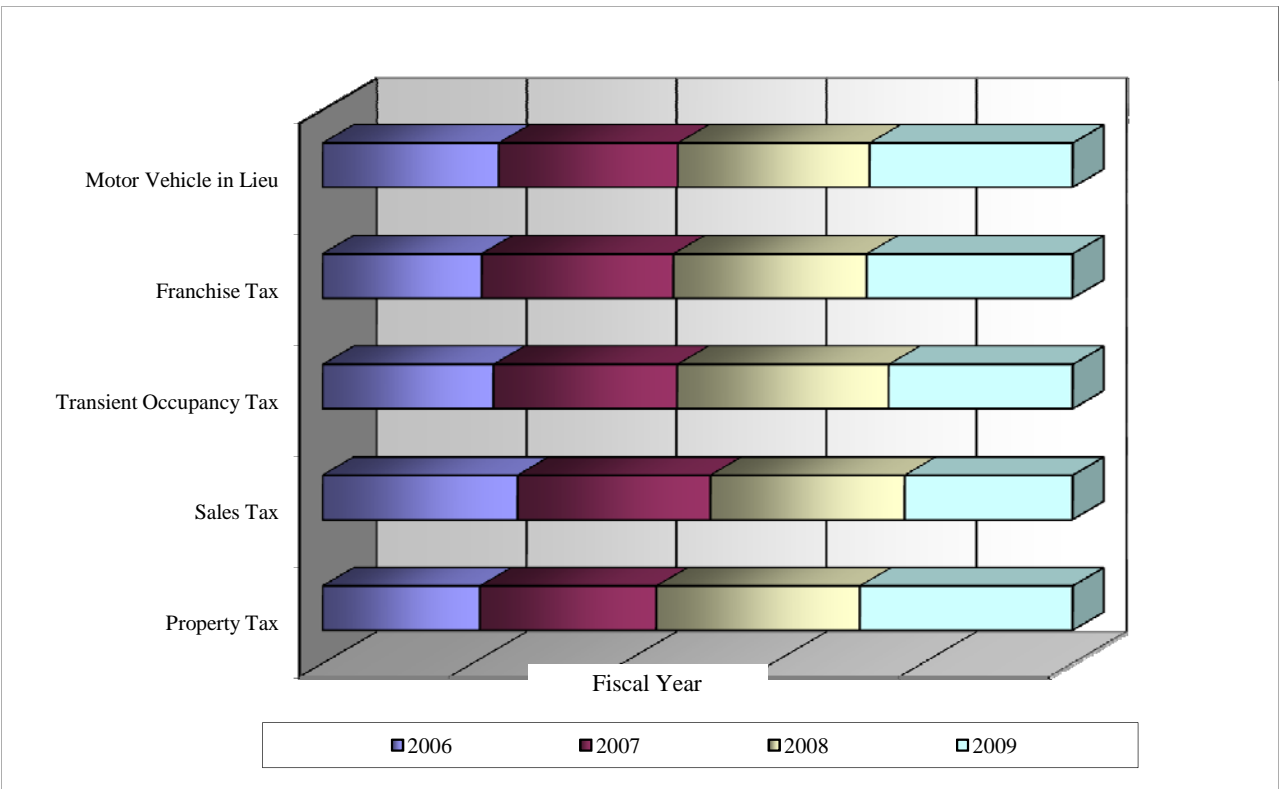
**CITY OF AGOURA HILLS**  
**Changes in Fund Balances, Governmental Funds**  
**Last Four Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year			
	2006	2007	2008	2009
<b>Revenues</b>				
Taxes	\$ 13,139,767	\$ 14,159,127	\$ 15,682,063	\$ 15,534,187
Licenses and permits	370,768	509,804	353,731	265,706
Intergovernmental revenues	3,729,532	2,924,586	4,718,608	5,540,391
Charges for services	1,772,383	3,143,141	1,393,074	851,052
Fines and forfeitures	315,266	221,310	237,572	273,040
Investment income	1,299,706	1,509,049	1,284,265	1,038,662
Rental income	-	-	-	91,852
Other revenues	256,044	362,048	572,992	658,490
<b>Total Revenues</b>	<b>20,883,466</b>	<b>22,829,065</b>	<b>24,242,305</b>	<b>24,253,380</b>
<b>Expenditures</b>				
General government	2,608,602	2,694,762	2,948,429	2,862,969
Pass through to other agencies	2,528,528	2,721,575	3,411,775	3,805,788
Public safety	2,719,899	2,917,439	3,456,845	4,186,728
Community development	1,952,492	1,409,765	1,492,470	1,899,937
Community services	1,806,016	1,320,147	1,590,653	1,945,018
Public works	1,650,323	2,627,186	3,394,282	2,542,687
Capital outlay	10,068,857	11,097,394	3,689,451	3,802,023
Debt service				
Cost of issuance	-	331,308	873,994	-
Interest	463,903	226,635	439,678	1,245,976
Principal payments	205,000	-	230,000	165,000
<b>Total expenditures</b>	<b>24,003,620</b>	<b>25,346,211</b>	<b>21,527,577</b>	<b>22,456,126</b>
Excess of revenues over (under) expenditures	(3,120,154)	(2,517,146)	2,714,728	1,797,254
<b>Other Financing Sources (Uses)</b>				
Debt proceeds	-	12,060,000	15,750,000	-
Premium/(discount) on debt issuance	-	(67,013)	(180,391)	-
Transfer in	-	6,445,254	19,024,551	3,206,479
Transfers out	-	(6,445,254)	(19,024,551)	(3,206,479)
Amount transferred to escrow	-	(9,161,711)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,831,276</b>	<b>15,569,609</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (3,120,154)</b>	<b>\$ 314,130</b>	<b>\$ 18,284,337</b>	<b>\$ 1,797,254</b>
Debt service as a percentage of noncapital expenditures	4.8%	1.6%	3.8%	7.6%

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Transient Occupancy Tax</b>	<b>Franchise Tax</b>	<b>Property tax in lieu of VLF</b>	<b>Total</b>
2006	\$ 6,493,995	\$ 2,869,040	\$ 1,643,675	\$ 591,312	\$ 1,541,745	\$ 13,139,767
2007	7,276,316	2,833,699	1,766,582	713,001	1,569,529	14,159,127
2008	8,393,008	2,858,354	2,033,069	718,194	1,679,438	15,682,063
2009	8,761,532	2,464,577	1,767,254	764,392	1,776,432	15,534,187

Change						
2006-2009	29.24%	-0.37%	23.69%	21.46%	8.93%	19.35%



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



**CITY OF AGOURA HILLS**

**Assessed Value and Estimated Actual Value of Taxable Property**

**Last Four Fiscal years**

*(in thousands of dollars)*

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<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 Direct Tax Rate</b>
2006	1,753,862	1,776,430	1,050	6,301	3,525,041	0.00%
2007	1,931,694	1,854,197	973	14,216	3,772,643	0.00%
2008	2,038,122	1,964,075	1,506	14,663	3,989,040	0.00%
2009	1,943,554	1,967,527	312	14,051	3,897,342	0.00%

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 Four Fiscal Years**

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<b>Fiscal Year</b>	<b>Overlapping Rates</b>					<b>Total Tax Rates</b>
	<b>Basic County (1)</b>	<b>Los Angeles County</b>	<b>School Districts</b>	<b>Water Districts</b>	<b>Flood Control District</b>	
2006	1.0000	0.0080	0.0413	0.0052	0.0000	1.0545
2007	1.0000	0.0066	0.0495	0.0047	0.0001	1.0609
2008	1.0000	0.0490	0.0088	0.0000	0.0045	1.0623
2009	1.0000	0.0499	0.0221	0.0000	0.0043	1.0763

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

Source: California Municipal Statistics, Inc.

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

Taxpayer	2009			1999		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Tishman Speyer Archstone Smith	\$142,850,720	1	3.58%	\$14,104,942	5	0.68%
Teradyne Inc.	37,101,036	2	0.93%	60,034,056	1	2.88%
RBD Agoura Hills LLC	33,988,368	3	0.85%	-		
MEF Realty LLC	27,265,000	4	0.68%	-		
Whizin Market Square LLC	26,724,000	5	0.67%	-		
Apple Seven Hospitality Ownership Inc	26,064,760	6	0.65%	-		
Executive Center of Simi Valley	25,940,000	7	0.65%	-		
Arden Realty LP	24,449,400	8	0.61%	-		
Country Wide Home Loans Inc	23,975,944	9	0.60%	-		
FW CA Twin Oaks Shopping Center LLC	23,834,713	10	0.60%	-		
Agoura Business Center East	-		0.00%	17,371,470	2	0.83%
Agoura Hills Realty LP	-		0.00%	17,069,529	3	0.82%
AMB Property LP	-		0.00%	15,930,360	4	0.76%
Agoura Meadows Investors	-		0.00%	12,567,868	6	0.60%
Kanan Group	-		0.00%	11,557,443	7	0.55%
Litton International Development Corp	-		0.00%	11,300,000	8	0.54%
Field House	-		0.00%	10,646,180	9	0.51%
Agoura Hills Business Park Associates	-		0.00%	9,828,620	10	0.47%
<b>Total</b>	<b>\$ 392,193,941</b>		<b>9.83%</b>	<b>\$180,410,468</b>		<b>8.65%</b>

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

Source: California Municipal Statistics, Inc.

**City of Agoura Hills**  
**Secured Property Tax Levies and Collections**  
**Last Four Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2006	1,840,131	1,827,723	99.33%	76,712	1,904,435	103.49%
2007	2,041,232	1,964,090	96.22%	100,838	2,064,928	101.16%
2008	2,140,807	1,997,067	93.29%	156,614	2,153,681	100.60%
2009	2,241,091	2,040,506	91.05%	-	2,040,506	91.05%

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

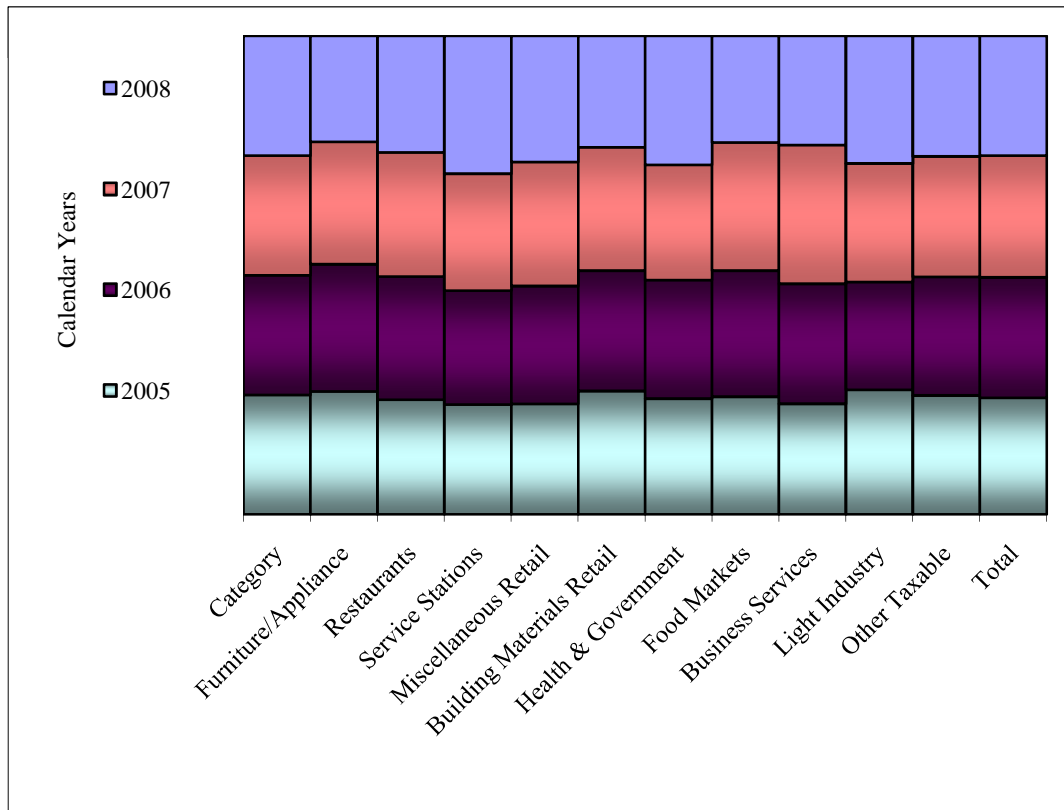
# CITY OF AGOURA HILLS

## Taxable Sales by Category

### Last Four Calendar Years

(in thousands of dollars)

	2005	2006	2007	2008
Furniture/Appliance	\$ 683	\$ 706	\$ 680	\$ 588
Restaurants	564	606	611	573
Service Stations	562	582	598	704
Miscellaneous Retail	220	235	247	251
Building Materials - Retail	203	198	203	183
Health & Government	194	199	193	216
Food Markets	156	167	170	141
Business Services	71	77	89	70
Light Industry	83	72	79	85
Other Taxable	504	502	510	510
<b>Total</b>	<b>\$ 3,240</b>	<b>\$ 3,344</b>	<b>\$ 3,380</b>	<b>\$ 3,321</b>
City direct sales tax rate	0.00%	0.00%	0.00%	0.00%



Notes: Calendar year 2009 not available.

Source: MuniServices

**CITY OF AGOURA HILLS**  
**Direct and Overlapping Sales Tax Rates**  
**Last Four Fiscal Years**

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<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Los Angeles County</u>	<u>State of California</u>
2006	0.00%	2.00%	6.25%
2007	0.00%	2.00%	6.25%
2008	0.00%	2.00%	6.25%
2009	0.00%	2.00%	6.25%

Source: California State Board of Equalization

**CITY OF AGOURA HILLS**

**Ratios of Outstanding Debt by Type**

**Last Four Fiscal Years**

*(dollars in thousands, except per capita)*

<b>Governmental Activities</b>								
<b>Fiscal Year</b>	<b>1999 Lease Revenue Bonds (1)</b>	<b>2007 Lease Refunding Bonds (2)</b>	<b>2008 RDA Tax Allocation Bonds (3)</b>	<b>2008 RDA Housing Set-Aside Bonds (4)</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (a)</b>	<b>Per Capita (a)</b>
2006	8,810	-	-	-	10	8,820	0.72%	167
2007	-	12,060	-	-	-	12,060	0.93%	218
2008	-	11,830	5,750	10,000	-	27,580	2.02%	468
2009	-	11,665	5,750	10,000	-	27,415	1.99%	450

Notes: (a) See Schedule for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(1) These Lease Revenue Bonds were issued during fiscal year 1999, and refunded in March 2007.

(2) March 2007, the City issued Series 2007 Lease Revenue Refunding Bonds to refund the 1999 Lease Revenue Bonds.

(3) 2008 Tax Allocation Bonds issued June 5 to finance certain redevelopment projects within the Agoura Hills Redevelopment Area. (See Note 2)

(4) June 5, 2008, the RDA issued Housing Set-Aside Tax Allocation Bonds bonds to finance low and moderate income housing of the Agoura Hills Redevelopment Agency.

Sources: Department of Finance  
City of Agoura Hills financial data

**CITY OF AGOURA HILLS**

**Ratio of Net General Bonded Debt Outstanding**

**Last Four Fiscal Years**

*(dollars in thousands, except per capita)*

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<b>Fiscal Year</b>	<b>Lease Refunding Bonds</b>	<b>Redevelopment Bonds</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2006	\$ 8,820	\$ -	\$ 8,820	0.25%	\$ 379.67
2007	12,060	-	12,060	0.32%	516.71
2008	11,830	15,750	27,580	0.69%	1,188.64
2009	11,665	15,570	27,235	0.70%	1,167.03

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, 2009**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Los Angeles County Flood Control District	\$ 84,705,000	0.388 %	\$ 328,655
Metropolitan Water District	293,425,000	0.193	566,310
Los Angeles Community College District	2,408,605,000	0.677	16,306,256
Las Virgenes Joint Unified School District	115,348,607	19.919	22,976,289
Los Angeles Co. Regional Park & Open Space Assessment Dist.	246,875,000	0.380	938,125
<b>Other debt</b>			
Los Angeles County General Fund Obligations	928,941,195	0.380	3,529,977
Los Angeles County Pension Obligations	235,690,861	0.380	895,625
Los Angeles County Supt. of Schools Certificates of Participation	15,904,264	0.380	60,436
Las Virgenes Joint Unified School District Certificates of Participation	12,730,000	19.919	2,535,689
Subtotal, overlapping debt			48,137,362
<b>City direct debt</b>			
City of Agoura Hills General Fund Obligations	11,665,000	100.000	11,665,000
<b>Total direct and overlapping debt</b>			<u><u>\$ 59,802,362</u></u> (b)

Notes: (a) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.  
(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 Four Fiscal Years**  
*(dollars in thousands)*

	Fiscal Year			
	2009	2008	2007	2006
Debt limit	\$ 152,754	\$ 144,390	\$ 109,873	\$ 126,970
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 152,754</u>	<u>\$ 144,390</u>	<u>\$ 109,873</u>	<u>\$ 126,970</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 2009**

Assessed Valuations:	
Gross Assessed Value	<u>\$ 4,073,438</u>
Debt Limitation - 3.75% of Total Assessed Value	\$ 152,754
Less debt applicable to limitation	-
Legal Debt Margin	<u>\$ 152,754</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

**CITY OF AGOURA HILLS**  
**Demographic and Economic Statistics**  
**Last Four 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 of Residents with at least some college</b>	<b>City Unemployment Rate (3)</b>
2006	23,231	1,226,132	52,780	38.0	80%	1.8%
2007	23,340	1,296,234	55,537	38.5	80%	2.2%
2008	23,203	1,368,432	58,977	39.0	80%	3.6%
2009	23,337	1,376,335	60,959	38.0	77%	5.0%

\* Projected figures

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

(2) Source: CI CNN Money Magazine

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

**CITY OF AGOURA HILLS**

**Principal Employers**

**Current Year**

Company or Organization	Activity	Fiscal Year	
		2009	1999
		Percentage to Total City Employees	Percentage of Total City Employment
Bank of America	Banking	755	6.51%
THQ Inc	Publishing	505	4.35%
Las Virgenes USD*	Government	503	4.34%
Touch Commerce	Internet	256	2.21%
Teradyne Inc	Manufacturing	205	1.77%
Employers Direct Insurance	Insurance	211	1.82%
Farmers Financial Solutions	Insurance	200	1.72%
Community Medical Group	Medical	160	1.38%
Renaissance Hotel	Hotel	120	1.03%
Digital Theater Systems, Inc	Electronics	117	1.01%
Wood Ranch Barbecue	Restaurant	100	0.86%
Vons Grocery	Retailer/Grocer	86	0.74%
Total Top Employers		3,218	27.74%
Total City Employment (1)		11,600	-

Note: Data for nine years ago (1999) is not available

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 Four Fiscal Years**

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<b>Function/Program</b>	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General government	9.5	9.45	9.45	9.85
Community development	7.54	6.5	6.5	4.8
Community services	7.65	7	7	7
Public works	6.25	6.5	6.5	6.22
Building and safety	3.5	3.5	3.5	3
Redevelopment	2.4	3.05	3.05	3.8
Total full-time equivalent employees	<u>36.84</u>	<u>36</u>	<u>36</u>	<u>34.67</u>

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

**CITY OF AGOURA HILLS**  
**Operating Indicators by Function/Program**  
**Last Four Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Parks and recreation				
Number of City sponsored events	21	26	26	28
Public Works				
Street resurfacing (lane miles)	9	6	6	7
Solid Waste				
Residential Recycling Collected (pounds)*	5,826,240	7,306,880	8,093,120	6,742,400
Electronics Collected (pounds)*	0	0	7,398	10,994
Used Oil Collection (gallons)	859	859	860	1,130
Automobile Battery Collections (pounds)	5,016	5,016	5,368	2,288
Used Paint Collection (gallons)	1,547	2,726	2,621	2,256
Transportation				
Total route (miles)	180,330	180,096	162,299	115,188
Passengers (monthly)	38,134	38,792	34,226	17,594

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

Source: Various city departments

**CITY OF AGOURA HILLS**  
**Capital Asset Statistics by Function/Program**  
**Last Four Fiscal Years**

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<b>Function/Program</b>	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b><u>Public works</u></b>				
Bridges	19	19	19	19
Streets/Highway (miles)	126	126	126	126
Traffic signals	52	52	52	53
<b><u>Parks and recreation</u></b>				
Basketball courts				
Full	0	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	0	0	9	9

Source: Various city departments