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ADMINISTRATION DIVISION

**COALINGA REDEVELOPMENT AGENCY**

**INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Coalinga Redevelopment Agency  
Coalinga, California

We have audited the accompanying component unit financial statements of the governmental activities of each major fund for the Coalinga Redevelopment Agency (Agency), a component unit of the City of Coalinga, California, as of and for the year ended June 30, 2008, which collectively comprise the Agency's basic financial statements as listed in the foregoing table of contents. The component unit financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on the component unit financial statements based on our audit.

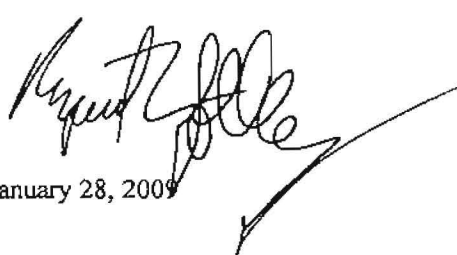
We conducted our audit in accordance with United States of America generally accepted auditing standards and *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of each major fund of the Agency at June 30, 2008, and the respective budgetary comparison for the major funds, for the year then ended in conformity with United States of America generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2009 on our consideration of the Coalinga Redevelopment Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Budget and Actual Comparisons on pages 17 and 18 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.

The Agency has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States have determined is necessary to supplement, although not required to be part of, the financial statements.



January 28, 2009

# COALINGA REDEVELOPMENT AGENCY

## STATEMENT OF NET ASSETS JUNE 30, 2008

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and investments	\$ 3,675,664
Accounts receivable	15,900
Note receivable	171,612
Land held for resale	1,159,262
Deferred charge - Issuance costs, net	203,403
Deferred charge - Original issue discount, net	234,132
Capital assets (net of allowance for depreciation)	<u>4,039,507</u>
Total assets	<u>9,499,480</u>
<b>Liabilities</b>	
Accounts payable and accrued expense	201,140
Accrued interest	160,510
Deposits payable	2,454
Compensated absences	32,118
Long-term liabilities	
Due within one year	338,000
Due in more than one year	<u>8,858,942</u>
Total liabilities	<u>9,593,164</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	2,047,507
Restricted for	
Land held for resale	1,159,262
Low and Moderate Income Housing Activities	979,167
Non-current receivables	171,612
Unrestricted (deficit)	<u>(4,451,232)</u>
Total net assets (deficit)	<u>\$ (93,684)</u>



# COALINGA REDEVELOPMENT AGENCY

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2008

			<u>Net Revenue/(Expenses) and Changes in Net Assets</u>	
			<u>Primary Government</u>	
	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
<b>FUNCTIONS/PROGRAMS</b>				
Primary government:				
Governmental activities:				
Community redevelopment	\$ 939,952	\$ -	\$ (939,952)	\$ (939,952)
Low - moderate housing	461,260	-	(461,260)	(461,260)
Interest and other charges	604,656	-	(604,656)	(604,656)
Depreciation and amortization	126,797	-	(126,797)	(126,797)
Total governmental activities	<u>\$ 2,132,665</u>	<u>\$ -</u>	<u>(2,132,665)</u>	<u>(2,132,665)</u>
<b>GENERAL REVENUE</b>				
Property taxes			2,936,248	2,936,248
Interest and investment earnings			117,472	117,472
Rental			49,061	49,061
Other			21,583	21,583
Total general revenue			<u>3,124,364</u>	<u>3,124,364</u>
<b>CHANGE IN NET ASSETS</b>			991,699	991,699
<b>NET ASSETS (DEFICIT)</b>				
Beginning of year			(1,085,383)	(1,085,383)
End of year			\$ (93,684)	\$ (93,684)

# COALINGA REDEVELOPMENT AGENCY

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2008

	Community Redevelopment	Low- Moderate Housing	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 2,672,773	\$ 1,002,891	\$ 3,675,664
Accounts receivable	15,900	-	15,900
Note receivable	171,612	-	171,612
Land held for resale	1,159,262	-	1,159,262
Total assets	<u>\$ 4,019,547</u>	<u>\$ 1,002,891</u>	<u>\$ 5,022,438</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable and accrued expense	\$ 177,416	\$ 23,724	\$ 201,140
Deposits payable	2,454	-	2,454
Total liabilities	<u>179,870</u>	<u>23,724</u>	<u>203,594</u>
<b>Fund Balance</b>			
Reserved for land held for resale	1,159,262	-	1,159,262
Reserved for housing funds	-	979,167	979,167
Reserved for noncurrent receivables	171,612	-	171,612
Unreserved and undesignated	2,508,803	-	2,508,803
Total fund balance	<u>3,839,677</u>	<u>979,167</u>	<u>4,818,844</u>
Total liabilities and fund balance	<u>\$ 4,019,547</u>	<u>\$ 1,002,891</u>	<u>\$ 5,022,438</u>

# COALINGA REDEVELOPMENT AGENCY

## RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES JUNE 30, 2008

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Total governmental fund balances	\$ 4,818,844
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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	4,039,507
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Governmental funds report debt costs such as issuance costs and original issue discounts are reported as an expenditure when those costs are incurred because they require the use of current financial resources. However, debt issuance costs must be included as a deferred charge in the Government-Wide Financial Statements	437,535
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Accrued interest on long-term liabilities is not due and payable in the current period and therefore is not reported in the funds	(160,510)
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Compensated absences are not due and payable in the current period and therefore are not reported in the funds	(32,118)
---	----------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(9,196,942)</u>
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Net assets of governmental activities .	<u>\$ (93,684)</u>
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# COALINGA REDEVELOPMENT AGENCY

## STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2008

	<u>Community Redevelopment</u>	<u>Low- Moderate Housing</u>	<u>Total Governmental Funds</u>
<b>REVENUE</b>			
Property taxes	\$ 2,348,998	\$ 587,250	\$ 2,936,248
Interest	92,596	24,876	117,472
Rental	49,061	-	49,061
Other	17,995	3,588	21,583
Total revenue	<u>2,508,650</u>	<u>615,714</u>	<u>3,124,364</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Community redevelopment	929,577	-	929,577
Housing assistance	-	461,260	461,260
Capital outlay	65,374	-	65,374
<b>Debt Service</b>			
Principal	323,000	-	323,000
Interest and fiscal charges	563,778	-	563,778
Total expenditures	<u>1,881,729</u>	<u>461,260</u>	<u>2,342,989</u>
Revenue over/(under) expenditures	<u>626,921</u>	<u>154,454</u>	<u>781,375</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	626,921	154,454	781,375
<b>BALANCE</b>			
Beginning of year	3,212,756	824,713	4,037,469
End of year	<u>\$ 3,839,677</u>	<u>\$ 979,167</u>	<u>\$ 4,818,844</u>



## COALINGA REDEVELOPMENT AGENCY

### RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2008

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Net change in fund balance - total governmental funds	\$	781,375
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Amounts reported for governmental activities in the statement of activities  
are different because:

Depreciation expense on capital assets is reported in the Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not required as expenditures in Governmental Funds	(97,357)
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Amortization of deferred debt costs in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds	(29,440)
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Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities and Changes in Net Assets the cost of those assets are capitalized as an asset and depreciated over the period of service	65,374
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Repayment of long-term debt is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Proceeds of long-term debt produces an opposite effect	323,000
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Compensated absence costs in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds	(10,375)
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In the statement of activities, interest is accrued on long-term debt, whereas in governmental funds interest expenditure is reported when due	(40,878)
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Change in net assets of governmental activities	\$	<u>991,699</u>
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# COALINGA REDEVELOPMENT AGENCY

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies

The accounting and reporting policies of the Coalinga Redevelopment Agency (Agency) conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled "Audits of State and Local Governmental Units" and by the Financial Accounting Standards Board (when applicable).

On July 1, 2003, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." Statement No. 34 established standards for external financial reporting for all state and local entities, which includes a statement of net assets, a statement of activities and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components—invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

*Invested in capital assets, net of related debt*- This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

*Restricted net assets*- This component of net assets consists of constraints placed on net assets use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets*- This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Reporting Entity** - The Coalinga Redevelopment Agency was established in 1979 pursuant to the State of California Health and Safety Code Section 33000. The primary purpose of the Agency is to encourage redevelopment of property and to rehabilitate areas suffering from economic disuse. The members of the City Council of the City of Coalinga act as the governing body of the Agency and the City provides loans and management assistance to the Agency. The Agency is considered a component unit of the City and, as such, the financial activities of the Agency are also reported with the financial activities of the City. The Agency has no component units.

**Government-Wide and Fund Financial Statements** - The government-wide financial statements, which are the statement of net assets and the statement of activities, report information on all of the nonfiduciary activities of the Agency. For the most part, the effect of Interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.



# COALINGA REDEVELOPMENT AGENCY

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenue includes charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or activity and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenue are reported instead as general revenue. Major individual governmental funds are reported in separate columns in the fund financial statements.

### Governmental Funds

#### **Special Revenue Funds**

**Community Redevelopment Fund** - This fund accounts for all funds not required to be accounted for in the Low and Moderate Income Housing Fund.

**Low and Moderate Income Housing Fund** - The Low and Moderate Income Housing Fund is used to account for that portion of the Agency's revenues earmarked for increasing or improving housing for low or moderate income households.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation** - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be collectible when it is collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the Agency considers property taxes and other revenue to be available in the period for which levied if it is collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Receivables and Payables** - Outstanding balances between funds at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the noncurrent portion.

California code provides taxing entities the ability to levy property taxes for the ensuing year. This results in the tax collections being received in the fiscal year they are budgeted for and used to pay expenditures of that period.

# COALINGA REDEVELOPMENT AGENCY

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2008

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### Note 1 – Summary of Significant Accounting Policies (Continued)

The property tax calendar is as follows:

- Property taxes attach as an enforceable lien on property as of January 1st.
- Taxes are levied on July 1.
- Fresno County bills and collects property taxes for the Agency.
- The first half of the taxes is payable to Fresno County by December 10<sup>th</sup> and the second by April 10<sup>th</sup> of the following year.

Taxes are remitted to the Agency in the month following collection.

**Land Held for Resale** - Land held for resale represents property acquired by the Agency for resale. The property is recorded at market value. No write-down for a lower market value has been reflected in the accompanying financial statements.

**Long-Term Liabilities** - Long-term liabilities consist of bonds and notes payable. Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. In the government-wide financial statements, long-term liabilities are included within the statement of net assets.

**Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Budgetary Information** - The Agency budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The City Manager is required to prepare and submit to the Agency Board the annual budget of the Agency and administer it after adoption. Agency Board approval is required for budget revisions that affect the total appropriations of the Agency.

**Tax Incremental Revenues** - The Agency has no power to levy and collect taxes, and any legislative property tax deemphasis might necessarily reduce the amount of Tax Revenues that would otherwise be available to pay the principal of, and interest on loans from the City of Coalinga (the City). Broadened property tax exemptions could have a similar effect. Conversely, any increase in the tax rate or assessed valuation, or any reduction or elimination of present exemptions would necessarily increase the amount of Tax Revenues that would be available to pay principal and interest on tax allocation bonds or loans from the City.



# COALINGA REDEVELOPMENT AGENCY

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2008

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### Note 2 – Cash and Investments

The Agency pools all of its cash and investments with the City except those funds required to be held by outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated to the various funds on average cash balances. Interest income from cash investments held with fiscal agents is credited directly to the related funds.

Cash and investments as of June 30, 2008 consist of the following:

City of Coalinga's Pooled Cash	\$ 2,686,318
Local Agency Investment Fund (LAIF)	<u>989,346</u>
Total Cash and Investments	<u>\$ 3,675,664</u>

### Investments Authorized by the Agency's Investment Policy

The Agency's investment policy only authorizes investment in the local government investment pool administered by the State of California (LAIF). The Agency's investment policy does not contain any specific provisions intended to limit the Agency's exposure to interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None



# COALINGA REDEVELOPMENT AGENCY

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2008

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### Note 2 – Cash and Investments (Continued)

#### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Agency's investment in the Local Agency Investment Fund (LAIF) is available for withdraw in one business day.

#### 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. The Agency's investment in LAIF is not subject to rating.

#### Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total Agency investments.

#### 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 California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

# COALINGA REDEVELOPMENT AGENCY

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2008

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### Note 2 – Cash and Investments (Continued)

#### Investment in State Investment Pool

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

### Note 3 – Note Receivable

There is one note receivable in the Community Redevelopment Fund. The note is from Kit Sang Laan USA, Inc. to finance the purchase of three buildings, which include an office complex, a theater, and a retail complex. The note is due in monthly installments of \$1,169 commencing on August 1, 2002, for a period of 8 years at 5% per annum. The balance due on the note at June 30, 2008 is \$171,612.

### Note 4 - Land Held for Resale

The Coalinga Redevelopment Agency has reserved \$1,159,262, which represents the current inventory of land purchased and presently held for resale. This has resulted in an unreserved, undesignated fund balance for the Community Redevelopment Fund at June 30, 2008 in the amount of \$2,508,803. The land is reported at historical cost, and gains or losses on the subsequent disposition of the land are reported accordingly.

# COALINGA REDEVELOPMENT AGENCY

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2008

### Note 5 – Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2008 were as follows:

	Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008	Current Portion
Police Station Note	\$ 40,000	\$ -	\$ (3,000)	\$ 37,000	\$ 3,000
Jail Construction Note	425,000	-	(40,000)	385,000	45,000
Police Station Project Bonds	1,675,000	-	(105,000)	1,570,000	110,000
Refunding Bonds	4,000,000	-	(165,000)	3,835,000	175,000
Tax Allocation Bonds	3,379,942	-	(10,000)	3,369,942	5,000
	<u>\$ 9,519,942</u>	<u>\$ -</u>	<u>\$ (323,000)</u>	<u>\$ 9,196,942</u>	<u>\$ 338,000</u>

**Police Station and Jail Construction Project Notes** - Note payable to Coalinga Public Financing Authority in varying semi-annual installments including interest at 8%, collateralized by the full faith and credit of the Community Redevelopment Fund future revenues. These notes were for the construction of a new police station and jail for the City.

#### Police Station Project Bonds

**Refunding Police Station Project Bonds** - In June 1993, the Coalinga Redevelopment Agency issued Refunding Police Station Project Bonds in the amount of \$1,420,000. The proceeds of the bonds were used to fully defease the original 1993 Police Station Project Bonds on September 15, 1993.

The principal portion of the Refunding Police Station Project Bonds is payable each September 15, in increasing amounts from 1994 through 2021. Interest is due semi-annually each March 15 and September 15 at rates ranging from 3.750 to 6.625%.

**Police Station Project Bonds II** - In September 1994, the Coalinga Redevelopment Agency issued \$1,115,000 in Police Station Project Bonds II. These bonds were purchased by the Coalinga Public Financing Authority which were to be used to construct a new police station for the city.

The principal portion of the Police Station Project Bonds II is payable each September 15 in increasing amounts from 1995 through 2014. Interest is due semi-annually each March 15 and September 15 at rates ranging from 4.50 to 7.25%.



# COALINGA REDEVELOPMENT AGENCY

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2008

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### Note 5 – Long-Term Liabilities (Continued)

**Refunding Bonds** - In June 1993, the Coalinga Redevelopment Agency issued 1993 Refunding Bonds in the amount of \$5,480,000. The proceeds of the refunding bonds were used to fully defease the 1991 Refunding Bonds on September 15, 1993.

The principal portion of the 1993 Refunding Bonds is payable each September 15 in increasing amounts from 1993 through 2021. Interest is due semi-annually each March 15 and September 15 at rates ranging from 3.750 to 6.625%.

**Tax Allocation Bonds** - In 2000, the Coalinga Redevelopment Agency issued \$3,404,942 of Tax Allocation Bonds to fund various community projects. The 2000 Tax Allocation Bonds principal payments are made September 15, beginning 2002 through 2030. Interest is to be paid semi-annually on March 15 and September 15, beginning 2000 through 2030. The interest rates range from 4.55% to 6.30%.

The following is a schedule of future debt service requirements for the long-term liabilities discussed above:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years Ending June 30,			
2009	338,000	541,920	879,920
2010	363,000	518,277	881,277
2011	388,000	492,946	880,946
2012	414,000	465,827	879,827
2013	454,000	436,605	890,605
2014-2018	2,160,000	1,724,015	3,884,015
2019-2023	2,520,000	991,701	3,511,701
2024-2028	2,212,476	1,313,640	3,526,116
2029-2032	347,466	1,767,535	2,115,001
	<u>\$ 9,196,942</u>	<u>\$ 8,252,466</u>	<u>\$ 17,449,408</u>

## COALINGA REDEVELOPMENT AGENCY

### NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2008

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#### Note 6 – Capital Assets

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not included in the capital assets.

The following is a summary of changes in the capital assets during the fiscal year ended June 30, 2008.

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Land	\$ 1,069,075	\$ -	\$ -	\$ 1,069,075
Buildings and improvements	3,568,556	-	-	3,568,556
Improvements	408,700	65,374	-	474,074
Machinery and equipment	16,900	-	-	16,900
	5,063,231	65,374	-	5,128,605
Less accumulated depreciation	(991,741)	(97,357)	-	(1,089,098)
	<u>\$ 4,071,490</u>	<u>\$ (31,983)</u>	<u>\$ -</u>	<u>\$ 4,039,507</u>

#### Note 7 - Fund Balances-Reserves

The Agency reports some of its fund balance as reserved or designated balances, which are maintained for specific purposes. The nature and purpose of these are explained below.

##### Reserve Investment - Land Held for Resale

The Agency has reserved \$1,159,262 which represents the current inventory of land purchased and presently held for resale.

##### Reserved for Note Receivable

The Agency - Community Redevelopment Fund has reserved \$171,612 for the total note receivable from Kit San Laan, USA, Inc., at June 30, 2008.

##### Fund Balances - Reserved for Housing Funds

Pursuant to Health and Safety Code Section 33334.2, the Agency - Low and Moderate Income Housing Special Revenue Fund has set aside 20% of its allocation for the purpose of increasing the supply of low and moderate income housing. The fund balance reserved for low and moderate income housing was \$979,167 at June 30, 2008.



## SUPPLEMENTAL INFORMATION

# COALINGA REDEVELOPMENT AGENCY

## SUPPLEMENTAL INFORMATION BUDGETARY COMPARISON SCHEDULE COMMUNITY REDEVELOPMENT FUND YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenue</b>				
Property taxes	\$ 2,233,093	\$ 2,233,093	\$ 2,348,998	\$ 115,905
Interest	7,000	7,000	92,596	85,596
Rental	44,194	44,194	49,061	4,867
Gain on sale of land	305,000	305,000	-	(305,000)
Other	38,604	38,604	17,995	(20,609)
Total revenue	<u>2,627,891</u>	<u>2,627,891</u>	<u>2,508,650</u>	<u>(119,241)</u>
<b>Expenditures</b>				
Current				
Community redevelopment	1,128,991	1,128,991	929,577	199,414
Housing assistance	-	-	-	-
Capital outlay	330,834	330,834	65,374	265,460
Debt Service				
Principal	323,000	323,000	323,000	-
Interest and fiscal charges	563,778	563,778	563,778	-
Total expenditures	<u>2,346,603</u>	<u>2,346,603</u>	<u>1,881,729</u>	<u>464,874</u>
Revenue over/(under) expenditures	281,288	281,288	626,921	345,633
<b>Other Financing Sources</b>				
Transfers in (out)	-	-	-	-
<b>Change in Fund Balance</b>	<u>\$ 281,288</u>	<u>\$ 281,288</u>	626,921	<u>\$ 345,633</u>
<b>Fund Balance</b>				
Beginning of year			3,212,756	
End of year			<u>\$ 3,839,677</u>	

# COALINGA REDEVELOPMENT AGENCY

## SUPPLEMENTAL INFORMATION BUDGETARY COMPARISON SCHEDULE LOW-MODERATE HOUSING FUND YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenue</b>				
Property tax	\$ 558,273	\$ 558,273	\$ 587,250	\$ 28,977
Interest	6,000	6,000	24,876	18,876
Other	-	-	3,588	3,588
Total revenue	<u>564,273</u>	<u>564,273</u>	<u>615,714</u>	<u>51,441</u>
<b>Expenditures</b>				
Current				
Housing assistance	<u>1,142,301</u>	<u>1,142,301</u>	<u>461,260</u>	<u>681,041</u>
Total expenditures	<u>1,142,301</u>	<u>1,142,301</u>	<u>461,260</u>	<u>681,041</u>
Revenue over/(under) expenditures	(578,028)	(578,028)	154,454	732,482
<b>Other Financing Sources</b>				
Transfers in (out)	-	-	-	-
<b>Change in Fund Balance</b>	<u>\$ (578,028)</u>	<u>\$ (578,028)</u>	154,454	<u>\$ 732,482</u>
<b>Fund Balance</b>				
Beginning of year			<u>824,713</u>	
End of year			<u>\$ 979,167</u>	