

# CITY OF FIREBAUGH



FRESNO COUNTY, CALIFORNIA

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AUDITOR CONTROLLER  
ADMINISTRATION DIVISION

County of Fresno  
Attn: Vicki Crow, CPA  
Auditor-Controller/Treasurer-Tax Collector  
2281 Tulare Street, room#104  
Fresno, CA 93715

Per your request, attached are the Firebaugh Redevelopment Agency's audited reports for fiscal years 2007-08, 2008-09, and 2009-10. Our records indicate we have not been audited by the State Controller's office in any of those years listed.

Should you have any questions or need additional information please contact us at 559-659-5901.

Sincerely,

Odi Ortiz

**REDEVELOPMENT AGENCY OF THE  
CITY OF FIREBAUGH**

**INDEPENDENT AUDITOR'S REPORTS  
AND  
FINANCIAL STATEMENTS  
JUNE 30, 2010**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Members of the  
Redevelopment Agency of the City of Firebaugh  
Firebaugh, California

We have audited the accompanying component unit financial statements of the governmental activities of each major fund for the Redevelopment Agency of the City of Firebaugh (Agency), a component unit of the City of Firebaugh, California, as of and for the year ended June 30, 2010, 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, 2010, 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 November 2, 2010 on our consideration of the 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 15 and 16 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.



November 2, 2010

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## STATEMENT OF NET ASSETS

JUNE 30, 2010

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and investments	\$ (205,545)
Restricted cash and investments	3,268,589
Deposit	2,000
Interest receivable	372
Notes receivable	350,000
Land held for resale	668,797
Deferred charges - bond issuance costs	343,866
Total assets	<u>4,428,079</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	28,326
Accrued interest	36,550
Long-term liabilities	
Due within one year	105,000
Due in more than one year	6,825,000
Total liabilities	<u>6,994,876</u>
<b>Net Assets</b>	
Restricted for:	
Low and Moderate Income Housing Activities	398,292
Debt service	2,462,566
Noncurrent receivables	350,000
Land held for resale	668,797
Unrestricted	<u>(6,446,452)</u>
Total net assets (deficit)	<u>\$ (2,566,797)</u>

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2010

		<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	\$ 233,596	\$ -	\$ 233,596	\$ 233,596
Low - moderate housing	246,583	-	246,583	246,583
Property tax pass-through	690,546	-	690,546	690,546
Interest and other charges	454,726	-	454,726	454,726
Total governmental activities	<u>\$ 1,625,451</u>	<u>\$ -</u>	<u>1,625,451</u>	<u>1,625,451</u>
<b>GENERAL REVENUE</b>				
Property taxes			1,278,615	1,278,615
Interest and investment earnings			20,319	20,319
Other			328,000	328,000
Transfer to City of Firebaugh			(71,616)	(71,616)
Total general revenue			<u>1,555,318</u>	<u>1,555,318</u>
<b>CHANGE IN NET ASSETS</b>			(70,133)	(70,133)
<b>NET ASSETS (DEFICIT)</b>				
Beginning of year			(2,496,664)	(2,496,664)
End of year			<u>\$ (2,566,797)</u>	<u>\$ (2,566,797)</u>

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2010

	Community Redevelopment	Low- Moderate Housing	Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 195,394	\$ 405,145	\$ (806,084)	\$ (205,545)
Restricted cash and investments	-	-	3,268,589	3,268,589
Deposit	2,000	-	-	2,000
Interest receivable	85	226	61	372
Notes receivable	-	350,000	-	350,000
Land held for resale	668,797	-	-	668,797
Total assets	<u>\$ 866,276</u>	<u>\$ 755,371</u>	<u>\$ 2,462,566</u>	<u>\$ 4,084,213</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable and accrued expense	\$ 21,247	\$ 7,079	\$ -	\$ 28,326
Total liabilities	<u>21,247</u>	<u>7,079</u>	<u>-</u>	<u>28,326</u>
<b>Fund Balance</b>				
Reserved for low-moderate housing funds	-	398,292	-	398,292
Reserved for debt service	-	-	2,462,566	2,462,566
Reserved for noncurrent receivables	-	350,000	-	350,000
Reserved for land held for resale	668,797	-	-	668,797
Unreserved, designated for specific projects and programs	176,232	-	-	176,232
Total fund balance	<u>845,029</u>	<u>748,292</u>	<u>2,462,566</u>	<u>4,055,887</u>
Total liabilities and fund balance	<u>\$ 866,276</u>	<u>\$ 755,371</u>	<u>\$ 2,462,566</u>	<u>\$ 4,084,213</u>

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES JUNE 30, 2010

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Total governmental fund balances	\$ 4,055,887
Amounts reported for governmental activities in the statement of net assets are different because:	
Governmental funds report debt issuance costs as an expenditure because they require the use of current financial resources. However, debt issuance costs must be included as a deferred charge in the statement of net assets	343,866
Accrued interest on long-term liabilities is not due and payable in the current period and therefore is not reported in the funds	(36,550)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(6,930,000)</u>
Net assets of governmental activities	<u>\$ (2,566,797)</u>



# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2010

	Community Redevelopment	Low- Moderate Housing	Debt Service	Total Governmental Funds
<b>REVENUE</b>				
Property taxes	\$ -	\$ 255,723	\$ 1,022,892	\$ 1,278,615
Interest and rent	18,210	1,713	396	20,319
Other	-	328,000	-	328,000
Total revenue	<u>18,210</u>	<u>585,436</u>	<u>1,023,288</u>	<u>1,626,934</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Community redevelopment	233,596	-	-	233,596
Low-moderate housing	-	246,583	-	246,583
Tax pass-through	-	-	690,546	690,546
<b>Debt Service</b>				
Principal	-	-	95,000	95,000
Interest and fiscal charges	-	-	441,445	441,445
Total expenditures	<u>233,596</u>	<u>246,583</u>	<u>1,226,991</u>	<u>1,707,170</u>
Revenue over/(under) expenditures	<u>(215,386)</u>	<u>338,853</u>	<u>(203,703)</u>	<u>(80,236)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	957,873	-	33,144	991,017
Transfers out	<u>(72,609)</u>	<u>(39,771)</u>	<u>(950,253)</u>	<u>(1,062,633)</u>
Total other financing sources (uses)	<u>885,264</u>	<u>(39,771)</u>	<u>(917,109)</u>	<u>(71,616)</u>
<b>NET CHANGE IN FUND BALANCE</b>	669,878	299,082	(1,120,812)	(151,852)
<b>BALANCE</b>				
Beginning of year	<u>175,151</u>	<u>449,210</u>	<u>3,583,378</u>	<u>4,207,739</u>
End of year	<u>\$ 845,029</u>	<u>\$ 748,292</u>	<u>\$ 2,462,566</u>	<u>\$ 4,055,887</u>

## REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

### RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2010

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Net change in fund balance - total governmental funds	\$ (151,852)
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Amounts reported for governmental activities in the statement of activities  
are different because:

Repayment of long-term debt is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	95,000
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Amortization of deferred debt costs in the statement of net assets do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(13,755)
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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.	<u>474</u>
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Change in net assets of governmental activities	<u>\$ (70,133)</u>
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# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010

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### Note 1 – Summary of Significant Accounting Policies

The accounting and reporting policies of the Redevelopment Agency of the City of Firebaugh (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).

**Reporting Entity** - The Redevelopment Agency of the City of Firebaugh was established 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 Firebaugh 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 as part of 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.

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.

**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.

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010

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

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.

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenue in the current period.

The Agency reports the following major governmental funds:

**The Community Redevelopment Fund** - This fund accounts for all administrative and capital project expenditures of the Agency, except those required to be accounted for in another 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.

**The Debt Service Fund** - This fund accounts for repayment of long-term debt.

**Cash and Investments** - The Agency pools idle cash from all funds for the purpose of increasing income through investment activities. Investments are carried at cost. No loss is recorded when market values decline below cost, as such declines normally are considered temporary. The Agency intends to either hold the investments until maturity or until market values equal or exceed cost. Interest income on investments is allocated to all funds on the basis of average daily cash and investment balances.

The Agency participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in derivatives and similar transactions. LAIF's investments are subject to credit risk with full faith and credit of the State of California collateralizing these investments.

**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.

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010

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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.

**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.

### 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, 2010 are classified in the accompanying financial statements as follows:

Statement of Net Assets:

Cash and Investments	\$ (205,545)
Restricted cash and investments	3,268,589
Total Cash and Investments	<u>\$ 3,063,044</u>

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010

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

Cash and investments as of June 30, 2010 consist of the following:

City of Firebaugh's Pooled Cash	\$ (205,545)
Held by Fiscal Agent:	
Cash	<u>3,268,589</u>
Total Cash and Investments	<u>\$ 3,063,044</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.

#### Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy. The table below identifies the 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.S. Treasury Obligations	None
U.S. Agency Securities	None
Banker's Acceptances	180 days
Commerical Paper	270 days
Money Market Mutual Funds	N/A
Investment Contracts	30 years

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010

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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. As of June 30, 2010 the Agency had the following investments.

<u>Investment Type</u>		<u>Maturity Date</u>
City of Firebaugh's Pooled Cash Held by Bond Trustee:	\$ (205,545)	N/A
Cash	<u>3,268,589</u>	N/A
Total	<u>\$ 3,063,044</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. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

#### 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. All of the cash and investments are held by fiscal agent.

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010

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

#### 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).

#### 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 – Notes Receivable

**Firebaugh San Joaquin Vista Associates** - During fiscal year 2000, the Redevelopment Agency of the City of Firebaugh loaned Firebaugh San Joaquin Vista Associates \$200,000 as a subsidy in connection with a low income apartment. The note carries an interest rate of 3% and matures during 2055. The terms of the agreement specify that payments of the outstanding principal and accrued interest shall be paid annually in the amount equal to 30% of available project revenues. Payments made shall be credited first against accrued interest and then against outstanding principal. There have been no required payments to date on this note.

**San Joaquin Development LLC** – During fiscal year 2010, the Redevelopment Agency of the City of Firebaugh loaned San Joaquin Development LLC \$150,000 in connection with the construction of low-income condominiums. The note is non-interest bearing and is repayable upon sale of each unit at the rate of \$7,134 per unit. There have been no repayments to date on this note.



# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## NOTES TO COMPONENT UNIT FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010

### Note 4 – Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2010 were as follows:

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010	Current Portion
2005 Tax Allocation Bond - A	\$ 3,770,000	\$ -	\$ -	\$ 3,770,000	\$ -
2005 Tax Allocation Bond - B	3,255,000	-	(95,000)	3,160,000	105,000
	<u>\$ 7,025,000</u>	<u>\$ -</u>	<u>\$ (95,000)</u>	<u>\$ 6,930,000</u>	<u>\$ 105,000</u>

**2005 Tax Allocation Bonds Series A** – In 2005 the Agency issued \$3,770,000 of tax allocation bonds secured by tax revenues allocated to the Agency. Interest on the bonds is payable semi-annually on December 1 and June 1 each year, with interest rate of 5.28% per annum.

**2005 Tax Allocation Bonds Series B** – In 2005 the Agency issued \$3,450,000 of tax allocation bonds secured by tax revenues allocated to the Agency. Interest on the bonds is payable semi-annually on December 1 and June 1 each year, with interest rates ranging between 5% and 8% per annum.

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

Years ending June 30,	Principal	Interest	Total
2011	105,000	435,445	540,445
2012	110,000	428,445	538,445
2013	120,000	420,395	540,395
2014	130,000	411,645	541,645
2015	135,000	402,370	537,370
2016-2020	855,000	1,841,675	2,696,675
2021-2025	1,260,000	1,440,063	2,700,063
2026-2030	1,805,000	894,825	2,699,825
2031-2035	2,355,000	339,758	2,694,758
2036	55,000	1,457	56,457
	<u>\$ 6,930,000</u>	<u>\$ 6,616,078</u>	<u>\$ 13,546,078</u>

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## **SUPPLEMENTAL INFORMATION**

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## SUPPLEMENTAL INFORMATION BUDGETARY COMPARISON SCHEDULE COMMUNITY REDEVELOPMENT FUND YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive/</u>
				<u>(Negative)</u>
<b>Revenue</b>				
Interest and rent	\$ 3,500	\$ 3,500	\$ 18,210	\$ 14,710
Other	-	-	-	-
Total revenue	<u>3,500</u>	<u>3,500</u>	<u>18,210</u>	<u>14,710</u>
<b>Expenditures</b>				
Current				
Administration/Community developmen	640,931	861,921	233,596	628,325
Tax pass-through	-	-	-	-
Total expenditures	<u>640,931</u>	<u>861,921</u>	<u>233,596</u>	<u>628,325</u>
Revenue over/(under)				
expenditures	(637,431)	(858,421)	(215,386)	643,035
<b>Other Financing Sources</b>				
Transfers in (out)	<u>640,931</u>	<u>852,344</u>	<u>885,264</u>	<u>32,920</u>
<b>Change in Fund Balance</b>	<u>\$ 3,500</u>	<u>\$ (6,077)</u>	<u>669,878</u>	<u>\$ 675,955</u>
<b>Fund Balance</b>				
Beginning of year			<u>175,151</u>	
End of year			<u>\$ 845,029</u>	

# REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH

## SUPPLEMENTAL INFORMATION BUDGETARY COMPARISON SCHEDULE LOW-MODERATE HOUSING FUND YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenue</b>				
Property tax	\$ 270,000	\$ 270,000	\$ 255,723	\$ (14,277)
Interest	3,000	3,000	1,713	(1,287)
Other	-	-	328,000	328,000
Total revenue	<u>273,000</u>	<u>273,000</u>	<u>585,436</u>	<u>312,436</u>
<b>Expenditures</b>				
Current				
Housing assistance	275,448	282,216	246,583	35,633
Capital outlay	-	-	-	-
Total expenditures	<u>275,448</u>	<u>282,216</u>	<u>246,583</u>	<u>35,633</u>
Revenue over/(under) expenditures	(2,448)	(9,216)	338,853	348,069
<b>Other Financing Sources</b>				
Transfers in (out)	-	-	(39,771)	(39,771)
<b>Change in Fund Balance</b>	<u>\$ (2,448)</u>	<u>\$ (9,216)</u>	<u>299,082</u>	<u>\$ 308,298</u>
<b>Fund Balance</b>				
Beginning of year			449,210	
End of year			<u>\$ 748,292</u>	

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Members of the  
Redevelopment Agency of the City of Firebaugh  
Firebaugh, California

We have audited the financial statements of the Redevelopment Agency of the City of Firebaugh, as of, and for the year ended June 30, 2010, and have issued our report thereon dated November 2, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Redevelopment Agency of the City of Firebaugh's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies*, issued by Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Governing Board, others within the entity, and the State Controller and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to be "Stephen J. Kelly", written in a cursive style.

November 2, 2010

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