

SALINAS REDEVELOPMENT AGENCY

Salinas, California



BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2007

SALINAS REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS **For the Fiscal Year Ended June 30, 2007**



PREPARED BY
THE FINANCE DEPARTMENT

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City of Salinas

Salinas Redevelopment Agency • 159 Main Street • Salinas, California 93901 • (831) 758-7387 • Fax (831) 771-0458

December 11, 2007

Honorable Chairperson and Members of the Salinas Redevelopment Agency Board of Directors:

We are pleased to submit the Salinas Redevelopment Agency (Agency) Annual Financial Report for the fiscal year ended June 30, 2007. State law requires that all redevelopment agencies publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) applied to governmental units. The financial statements are to be audited by a certified public accountant in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Pursuant to that requirement, we hereby issue this annual financial report.

This is the fourth consecutive year that the Agency has produced financial statements in accordance with the Governmental Accounting Standards Board (GASB) Statement 34 reporting model. This financial reporting model is intended to improve financial reporting by adding significant additional information not previously available in local government financial statements.

In addition to the fund-by-fund financial information the report includes government-wide financial statements. The government-wide financial statements include a Statement of Net Assets that provides the total net equity of the Agency including all capital assets and long-term debt, and the Statement of Activities that shows the cost of providing governmental services by function. These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements. The modified accrual basis of accounting focuses on near-term inflows, outflows and balances of spendable financial resources. This report retains the short-term focus in the governmental fund financial statements while providing a long-term perspective on these same activities in the accrual based government-wide financial statements. A reconciliation report is provided as a key to understanding the differences between the two reporting methods. These new statements combined with other information are analyzed in the narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the Agency.

This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Agency's MD&A can be found immediately following the report of the independent auditors.

This report consists of management's representations concerning the finances of the Agency. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Agency has established a comprehensive internal control framework that is designed both to protect the Agency's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Agency's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Agency'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 misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Brown, Kaufman & Associates, LLP, a firm of licensed certified public accountants, has audited the Agency's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Agency for the fiscal year ended June 30, 2007, are free of material misstatements. 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Agency's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the Salinas Redevelopment Agency

The City Council of the City of Salinas, acting pursuant to the provisions of the Community Redevelopment Law (California Health and Safety Code 33000, et seq.), activated the Agency on December 19, 1960. The Agency is charged with eliminating blight within designated geographic areas through the process of redevelopment. The Agency has broad authority to acquire, develop, administer, and sell or lease property, including the right of eminent domain and the right to issue long-term debt and expend proceeds.

Redevelopment activity is financed by secured and unsecured taxes collected in designated project areas that would go to other taxing entities in the absence of redevelopment. This allocation, known as tax increment revenue, is pursuant to State law. The assessed valuation (base roll) of a project area prior to redevelopment is established. Thereafter, any increases in assessed valuation over the base roll are remitted to the Agency. Of that amount, 20 percent must be set-aside in a special fund to be used for the purposes of increasing, improving and preserving low- and moderate-income housing. The remaining funds (80%) are used to pay debt of the Agency for various capital projects, statutory pass-through under Assembly Bill (AB) 1290, and any agreements with other taxing entities prior to AB 1290, including the County and public schools within a project area.

The seven members of the City Council serve as the governing body of the Agency, and exercise all rights, powers, duties and privileges of the Agency in carrying out redevelopment activities. The City Manager serves as Executive Director, the City Attorney serves as Agency Counsel, the City Finance Director serves as Agency Treasurer and the City Clerk serves as Secretary of the Agency.

The budget serves as the foundation for the Agency's financial planning and control. The Agency, having adopted the City of Salinas' administrative policies and procedures, implements a budget based on the same cycle as the City. The Agency's fiscal year is from July 1 through the following June 30. The budget is submitted each May to the Agency's Board of Directors, who, depending on the budget cycle, by June 30, adopts a budget. The appropriated budget is prepared by fund (project area) and object classification (e.g., capital). The Executive Director may make transfers of appropriations within a division. Transfers of appropriations between divisions, however, require the special approval of the Board of Directors and must be permitted by Redevelopment Law.

Transfers of appropriations between funds are prohibited. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. This comparison is presented in the required supplementary information section of this report, which starts following the notes to the financial statements.

Cash Management Policies and Practices

The Agency's funds are invested as part of the City's investments. The City invests all idle funds daily. In accordance with the provisions of California Government Code Section 53600 et. seq., the City is restricted to certain types of legal investments including U.S. Treasury bills, notes and bonds, U.S. Government agency issues, the State Local Agency Investment Fund, banker's acceptances,

certificates of deposits, repurchase agreements, corporate medium-term notes, mortgage pass-through securities and asset-backed securities, and money market mutual funds. An investment and cash management policy is adopted annually by the City Council of Salinas.

Investment income includes changes in the fair value of investments. Calculation of gains and losses in fair value of investments is unrealized and only measures the fair value at a point in time. Decreases in fair value during the current year, however, do not necessarily represent trends that will continue. During the fiscal year ended June 30, 2007, the adjustment for changes in fair value of investments was an unrealized loss of \$4,021 while interest earnings from investments was \$545,900.

Risk Management

The Redevelopment Agency participates in the City of Salinas' self-insurance programs for general liability and workers compensation, which affect the Agency. These insurance activities are accounted for in the City of Salinas' Risk Management Fund, an internal service fund. The Salinas Redevelopment Agency is a component unit of the City of Salinas. Additional information on the Agency's risk management activity can be found in Note 9 of the financial statements.

Community Safety Initiative

During May 2004, the Salinas Redevelopment Agency amended its implementation plan adding a policy providing for redevelopment-funded community safety initiatives within the Sunset Avenue Redevelopment project area. In order to provide a positive force for economic development in the project area, during 2006-07 the Agency contributed \$257,800 to fund the cost of two police officers assigned to the project area. The Agency's 2007-08 budget includes \$296,200 to continue the community safety initiative.

East Market Street Underground District

During June 2004, the City Council approved East Market Street (between Sherwood Drive and North Sanborn Road) as the next City underground district. The project is scheduled to begin construction in January 2009 and will be funded with \$5.4 million of California Public Utility Commission's Rule 20A funds. In addition, the Agency has set aside \$1.0 million to fund the streetscape improvements within the Sunset Avenue project area.

Lincoln and Market Street Housing

During August 2005, the Agency made a \$910,000 loan from the Central City Low and Moderate Income Housing Fund to First Community Housing to acquire property on Lincoln Avenue and West Market Street for an affordable housing development. An additional \$68,553 was loaned during June 2007. The Agency's 2007-08 budget includes \$771,447 to complete loans to First Community Housing.

Soledad Street Affordable Housing

The Agency set aside \$1,600,000 of Central City Low and Moderate Income Housing Funds and was awarded a \$200,000 Federal EPA grant to assemble land to provide a location for a low-income senior housing development in the Soledad Street area. Remaining funds included in the Agency's 2007-08 budget totals \$1,609,784.

Division Street Development

The Agency has set aside \$2.0 million of Sunset Avenue Low and Moderate Income Housing Funds and \$2.2 million in Sunset Avenue Project Funds to assemble land (approximately 5 acres) at Division Street for a future residential and multi-use development. A development, design, and property acquisition process is anticipated to result in a mix-use development project by 2009.

Monterey Street Parking Structure

The Monterey Street Parking Structure is a 5-level, 435-space parking garage adjacent to the Steinbeck Center and Maya Multiplex Theater. The parking structure provides parking for Maya Cinemas, National Steinbeck Center, surrounding business and future developments.

The project was funded with tax-exempt financing and a \$2.0 million Federal grant. On December 17, 2003, the City sold Certificates of Participation (COPs) in the amount of \$16,630,000 at 4.68% interest for a term of thirty years.

Debt service payments during 2006-07 were made using the balance of capitalized interest, investment earnings and \$275,000 of Central City Project Funds. Beginning in 2007-08, maximum annual debt service payments are \$1,091,950. Pursuant to a reimbursement agreement the Salinas Redevelopment Agency (Central City Project) is responsible for debt service. The Agency's budget includes funds to make these debt service payments in both 2007-08 and 2008-09.

Commitments

See Note 13, Commitments, for a discussion of Agency commitments relating to pass through tax obligations to other taxing agencies and Steinbeck Center Foundation and Monterey Street parking structure financings.

Acknowledgements

I would like to take this opportunity to thank the members of the Salinas Redevelopment Agency's Board of Directors for their interest and support in the financial operations of the Agency. It is the responsible and progressive manner in which business is conducted that makes the Agency successful. I would also like to make a special recognition of City staff assigned to the Agency for their day-to-day involvement in the operations without whom this presentation would not be possible.

In addition, I would like to extend a special thanks to the Finance Department staff, Miguel Gutierrez, Elizabeth Mariano, and James DeVincenzi, who are primarily responsible for the preparation of the financial report. I would also like to thank the Agency's auditors Brown, Kaufman & Associates, LLP. It is the combined effort of all participants that resulted in the issuance of this document.

Respectfully submitted,


Tom Kever
Finance Director

SALINAS REDEVELOPMENT AGENCY



List of Principal Officials

Dennis Donohue
Chairperson

Sergio Sanchez
Board member

Gloria De La Rosa
Board member

Steven Villegas
Board member

Tony Barrera
Board member

Janet Barnes
Board member

Jyl Lutes
Board member

Dave Mora
Executive Director

Ann Camel
Secretary

Vanessa Vallarta
Agency Counsel

Tom Kever
Treasurer

Alan Stumpf
Director of Redevelopment

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Governing Board of
Salinas Redevelopment Agency
Salinas, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Salinas Redevelopment Agency, (the Agency), a component unit of the City of Salinas, California as of and for the year ended June 30, 2007, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Salinas Redevelopment Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2007, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison schedules – special revenue funds on pages 3 through 8 and 38 through 45, respectively, 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. The budgetary comparison schedules – special revenue funds 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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation in the management's discussion and analysis. 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 Agency's basic financial statements. The introductory section and the budgetary comparison schedules – capital projects and debt service funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedules – capital projects and debt service funds 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 section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Braun Kaufman & Associates LLP

November 16, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

This analysis of the Salinas Redevelopment Agency's (Agency) financial performance provides an overview of the Agency's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

Financial Highlights

- The Agency's net assets increased 41.7% to \$11,136,741.
- The Agency's tax increments and other governmental revenues exceeded expenses by \$3,275,105, an increase of \$1,130,421 compared to the previous year.
- The Agency's funds reported combined ending fund balances of \$18,501,287 an increase of \$2,403,812 (14.9%) over the previous year. The vast majority of the balance is reserved and unavailable.
- The Agency's total liabilities decreased by \$648,117 (5.7%) to \$10,634,810 primarily due to payments on its bonded debt.
- The Agency funded \$68,553 in an additional loan to First Community Housing, Inc. The Agency received \$431,371 in principal repayments from loans and notes outstanding.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements, that are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements for further information and analysis.

Government-Wide Financial Statements

The Government-Wide Financial Statements present the financial picture of the Agency and provide readers with a broad view of the Agency's finances. (Additionally, certain interfund receivables, payables and other interfund activity have been eliminated as prescribed by GASB Statement No. 34.) All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the Agency as a whole and about its activities. These statements include *all* assets and liabilities of the Agency using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies.

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

The Statement of Activities presents information showing how the Agency's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the Agency's major funds—not the Agency as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes other funds 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. Since all Agency funds but one, are considered major funds under GASB 34, management decided to report all six (6) funds as major funds.

The Fund Financial Statements include statements for governmental funds only. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Funds Financial Statements focus on current financial resources that emphasize near-term inflows and outflows of spendable resources as well as balances of spendable resources at the end of the fiscal year. This information is essential in evaluating the Agency's near-term financial requirements.

In order to better understand the Agency's long-term and short-term requirements, it is useful to compare the Agency's Governmental Fund Statements with the governmental activities in the Government-Wide Financial Statements. Reconciliations are provided for both the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances to facilitate this comparison.

All governmental funds are considered major governmental funds and reported in detail in the Governmental Fund Financial Statements.

Notes to 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 Agency's budgetary comparison schedules for the Central City Housing and Sunset Avenue Merged Housing special revenue funds.

Supplementary Information

Supplementary schedules concerning budgetary comparison schedules for all other funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide condensed statements provide a comparison with the prior fiscal year.

Statement of Net Assets

Net assets are a good indicator of the Agency's financial position. At the end of this fiscal year, net assets of the Agency were \$11,136,741, which is an increase of \$3,275,105 from the prior year.

The following is the condensed Statement of Net Assets for the fiscal year ended June 30, 2007.

Salinas Redevelopment Agency
Condensed Statement of Net Assets

	Fiscal Year Ended June 30,		Change	
	2007	2006	Amount	Percent
Assets:				
Current Assets	\$ 11,862,373	\$ 8,985,014	\$ 2,877,359	32.0%
Other Assets	7,399,829	7,761,726	(361,897)	-4.7%
Capital Assets, Net	2,509,349	2,397,823	111,526	4.7%
Total Assets	21,771,551	19,144,563	2,626,988	13.7%
Liabilities:				
Current Liabilities	1,228,201	1,116,816	111,385	10.0%
Long-term Liabilities	9,406,609	10,166,111	(759,502)	-7.5%
Total Liabilities	10,634,810	11,282,927	(648,117)	-5.7%
Net Assets:				
Invested in Capital Assets, Net of Related Debt	330,739	(8,129,711)	8,460,450	-104.1%
Restricted	16,353,673	13,979,701	2,373,972	17.0%
Unrestricted	(5,547,671)	2,011,646	(7,559,317)	-375.8%
Total Net Assets	\$ 11,136,741	\$ 7,861,636	\$ 3,275,105	41.7%

Considering the fact that the Agency has \$10.6 million in debt it is noteworthy that the Agency still has Net Assets of \$11.1 million. Unrestricted Net Assets total a negative \$5.6 million. This is typical for most redevelopment agencies since a redevelopment agency can receive tax increments only if it has debt. The vast majority of the Agency's debt (and most other redevelopment agencies) is spent on infrastructure improvements that the Agency does not own.

The Agency has \$16.3 million in restricted net assets that it cannot spend at its discretion because these funds are restricted by redevelopment law for debt service and housing activities. Further information on these restricted assets is provided in the discussion of the fund financial statements.

Total assets increased \$2,626,988 while total liabilities decreased \$648,117 leading to an increase of \$3,275,105 in net assets.

Statement of Activities

The following is the condensed Statement of Activities for the fiscal year ended June 30, 2007.

Tax increment revenues (90.5% of the Agency's revenues) increased \$443,550 (8.0%) from a year ago. Investment earnings increased \$161,269 (37.2%) from last year due to rising interest

Salinas Redevelopment Agency Condensed Statement of Activities

	Fiscal Year Ended June 30,		Change	
	2007	2006	Amount	Percent
Revenues				
Program Revenues:				
Charges for Services	\$ 27,753	\$ 17,012	\$ 10,741	63.1%
Operating Grants and Contributions	-	-	-	0.0%
General Revenues:				
Tax Increments	5,993,830	5,550,280	443,550	8.0%
Investment Earnings	595,073	433,804	161,269	37.2%
Miscellaneous	8,936	119	8,817	7409.2%
Total Revenues	<u>6,625,592</u>	<u>6,001,215</u>	<u>624,377</u>	<u>10.4%</u>
Expenses:				
Administration	1,042,930	1,119,176	(76,246)	-6.8%
Housing	115,519	16,300	99,219	608.7%
Public Works	9,621	415,560	(405,939)	-97.7%
Public Safety	257,800	379,300	(121,500)	-32.0%
Recreation	29,122	29,122	-	0.0%
Education-Payment to Schools	-	373,526	(373,526)	-100.0%
Pass-through Taxes	844,033	750,703	93,330	12.4%
Interest on long-term debt	1,051,462	772,844	278,618	36.1%
Total Expenditures	<u>3,350,487</u>	<u>3,856,531</u>	<u>(506,044)</u>	<u>-13.1%</u>
Change in Net Assets	3,275,105	2,144,684	1,130,421	52.7%
Net Assets - Beginning	7,861,636	5,716,952	2,144,684	37.5%
Net Assets - Ending	<u>\$ 11,136,741</u>	<u>\$ 7,861,636</u>	<u>\$ 3,275,105</u>	<u>41.7%</u>

rates and investment yields. Housing expenditures increased \$99,219 from last year due to the start of the Soledad Street Senior Housing Project. The decrease in Public Works is due to expenditures on the Master Streetscape and Downtown Parking Projects in the prior fiscal year ended June 30, 2006. Public Safety expenditures decreased due to the acquisition of a mobile police station in the prior fiscal year ended June 30, 2006. The State mandated expense for Education-Payment to Schools has been discontinued resulting in a decrease of \$373,526 in expenditures. Interest on long-term debt increased due to the Agency's contribution of \$275,000 towards the Downtown Parking Structure debt service. The Agency's operations are primarily supported by tax increments. The Agency's operations do not generate revenue other than the housing loans interest.

FUND FINANCIAL STATEMENT ANALYSIS

The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

At year-end the Agency's governmental funds reported combined fund balances of \$18.5 million. Approximately 75% of these funds (\$13.7 million) represent resources not available because they are:

- Reserved for long-term loans and note receivable - \$5,888,556
- Reserved for land held for resale - 1,083,484
- Reserved for long-term advance to other funds - 172,571

Additionally, the following fund balances can only be used for their specified purposes:

• Reserved for encumbrances -	\$ 378,585
• Reserved for debt service payments -	4,738,669
• Reserved for Plaza Grande operations	298,300
• Reserved for parking structure debt service	1,135,000

The Agency Board has at its discretion \$4,806,122 for future budgets. Of this amount \$4,728,007 can be used only for low and moderate income housing including Soledad Street, Lincoln and Market Street and Division Street projects. The remainder of \$78,115 can be used for redevelopment projects and programs.

Fund Budgetary Highlights

The Agency does not have a general fund. By law, the Agency must set aside 20 percent (20%) of the tax increment revenue in a separate special revenue fund for low- and moderate-income housing. The other 80% of tax increments are deposited in the debt service funds to cover current debt obligations. Required budgetary comparison schedules – special revenue funds are on pages 37 through 40. Supplementary budgetary comparison schedules for all other funds can be found on pages 41 through 45.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2007 the Agency had \$2.5 million invested primarily in land and buildings as summarized below. Additional information on the Agency's capital assets can be found in Note 8 on page 28 of this report. The Agency has minimal capital assets because most Agency financed improvements are infrastructure improvements that are owned by the City.

Salinas Redevelopment Agency
Condensed Statement of Capital Assets

	Fiscal Year Ended June 30,		Change	
	2007	2006	Amount	Percent
Land	\$ 1,679,317	\$ 1,530,048	\$ 149,269	10%
Buildings	1,469,500	1,469,500	-	0%
Improvements other than buildings	<u>115,242</u>	<u>114,242</u>	<u>1,000</u>	100%
Total Capital Assets	3,264,059	3,113,790	150,269	5%
Accumulated Depreciation	<u>(754,710)</u>	<u>(715,967)</u>	<u>(38,743)</u>	5%
Total Net Capital Assets	<u>\$ 2,509,349</u>	<u>\$ 2,397,823</u>	<u>\$ 111,526</u>	5%