

Redevelopment Agency of the City of San Diego

**ATTACHMENT 3  
REDEVELOPMENT AGENCY, ANNUAL  
FINANCIAL REPORT FOR YEAR ENDING  
JUNE 30, 2006**

Fiscal Year 2006



Redevelopment Agency of the City of San Diego  
State of California



Annual Financial Report

Fiscal Year Ended June 30, 2006

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# Introductory Section

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CITY OF SAN DIEGO  
**Redevelopment  
Agency**



October 17, 2008

Honorable Members of the Agency:

The Annual Financial Report on all projects of the Redevelopment Agency of the City of San Diego for the year ended June 30, 2006 is presented in accordance with the Community Redevelopment Law (§33,000 et seq., of the Health and Safety Code of the State of California).

All expenditures and revenues for these projects have been reported for in accordance with generally accepted accounting principles in the United States applicable to municipalities, and all financial transactions occurring during the year were made in accordance with the redevelopment laws of the State of California.

Respectfully submitted,

  
\_\_\_\_\_  
William R. Anderson  
Assistant Executive Director

  
\_\_\_\_\_  
Mary Lewis  
Chief Financial Officer

  
\_\_\_\_\_  
Gregory E. Levin  
Comptroller

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REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
ROSTER OF OFFICIALS  
AS OF YEAR ENDED JUNE 30, 2006

**BOARD OF DIRECTORS**

Scott Peters  
**Chairperson**

**Board Members:**

Kevin Faulconer  
Toni Atkins  
Tony Young  
Brian Maienschein  
Donna Frye  
Jim Madaffer  
Ben Hueso

**OFFICIALS**

Jerry Sanders  
**Executive Director**

James T. Waring\*  
**Assistant Executive Director**

John Torell\*  
**Auditor and Comptroller**

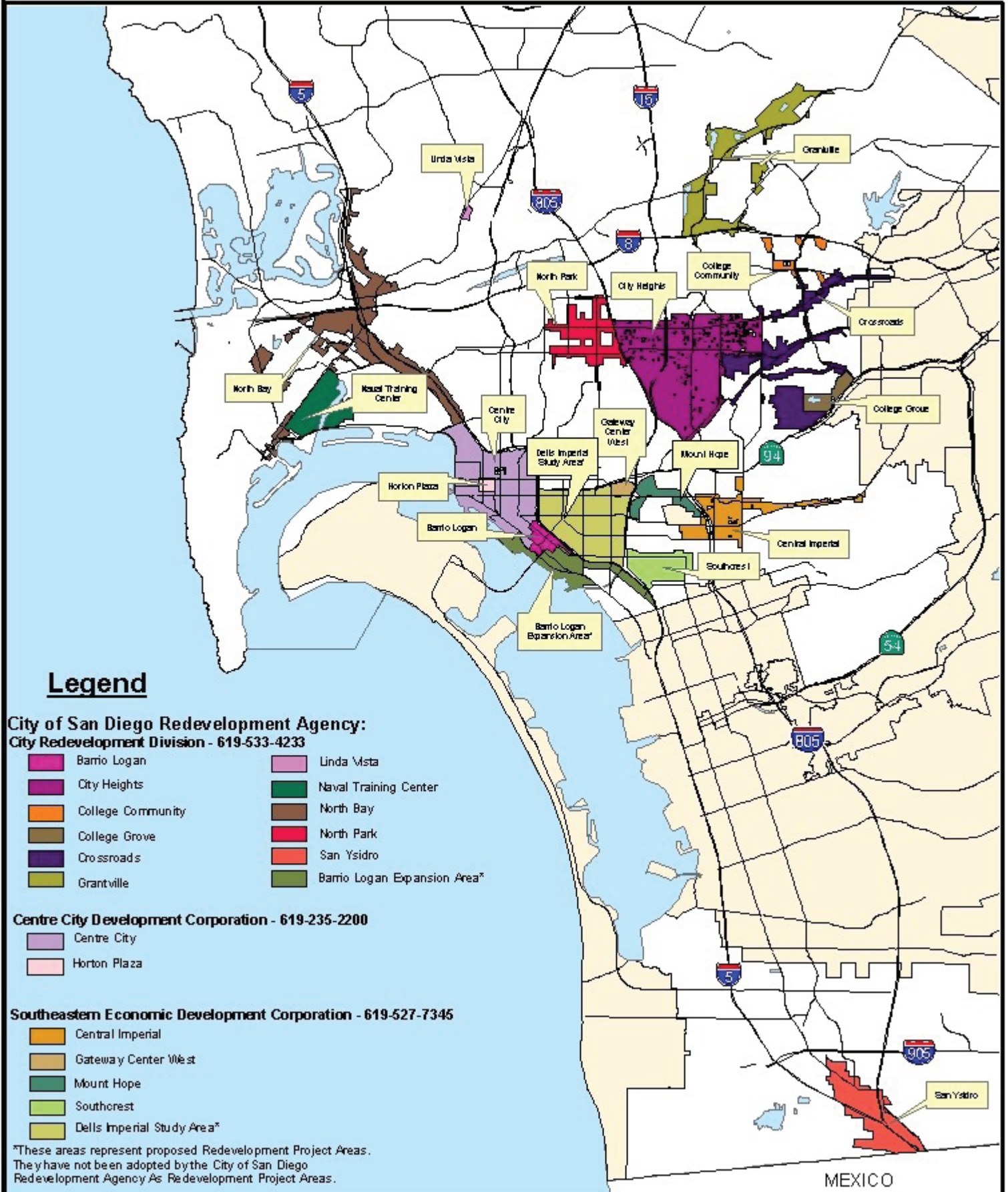
Elizabeth Maland  
**Secretary**

Andrea Tevlin  
**Independent Budget Analyst**

Michael Aguirre  
**Agency Counsel**

\* Individual is no longer an employee of the City.

**CITY OF SAN DIEGO REDEVELOPMENT AGENCY  
PROJECT AREAS**





**Legend**

**City of San Diego Redevelopment Agency:  
City Redevelopment Division - 619-533-4233**

- |   |  |
|---|--|
|  Barrio Logan      |  Linda Vista                  |
|  City Heights      |  Naval Training Center        |
|  College Community |  North Bay                    |
|  College Grove     |  North Park                   |
|  Crossroads        |  San Ysidro                   |
|  Grantville        |  Barrio Logan Expansion Area* |

**Centre City Development Corporation - 619-235-2200**

-  Centre City
-  Horton Plaza

**Southeastern Economic Development Corporation - 619-527-7345**

-  Central Imperial
-  Gateway Center West
-  Mount Hope
-  Southcrest
-  Dells Imperial Study Area\*

\*These areas represent proposed Redevelopment Project Areas. They have not been adopted by the City of San Diego Redevelopment Agency As Redevelopment Project Areas.

## Financial Section

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**MACIAS GINI & O'CONNELL LLP**  
CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

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Walnut Creek, CA 94596  
925.274.0190

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213.286.6400

402 West Broadway, Suite 400  
San Diego, CA 92101  
619.573.1112

Board of Directors  
Redevelopment Agency of the  
City of San Diego  
San Diego, California

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of San Diego, California (Agency), a component unit of the City of San Diego, California, as of and for the year ended June 30, 2006, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency, as of June 30, 2006, 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 October 16, 2008, 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 considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 16 through 26 and 62 through 64, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section, combining fund statements and schedules – nonmajor governmental funds and the supplemental information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules – nonmajor governmental 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 and supplemental information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Macias Jini & O'Connell LLP*

Certified Public Accountants

Los Angeles, California

October 16, 2008



## Management's Discussion and Analysis

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**  
**(Dollar Amounts)**  
**June 30, 2006**

As management of the City of San Diego (the "City"), we offer readers of the Redevelopment Agency (the "Agency") financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2006.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

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 or decreases 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 changes in the Agency's net assets during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The focus is on both gross and net cost of Agency functions, which are supported by general revenues. This Statement also displays functions of the Agency that are principally supported by taxes, private contributions, and intergovernmental revenues (governmental activities). The governmental activities of the Agency include General Government and Support and Neighborhood Services. The Agency does not engage in business-type activities.

The government-wide financial statements exclusively include the Agency (known as the Primary Government) with no legally separate, discretely presented component units. The government-wide financial statements can be found on pages 28-29 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Agency are combined into the governmental funds category.

## **Governmental Funds**

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 fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Centre City Low and Moderate Income Housing Special Revenue Fund, Centre City Other Special Revenue Fund, Centre City Debt Service Fund and the Centre City Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 30-34 of this report.

## **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 36 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, combining fund statements and schedules for nonmajor governmental funds can be found beginning on page 66 of this report. In addition, a budget to actual comparison schedule of the Centre City Low and Moderate Income Housing Fund can be found on pages 62-64.

As part of supplementary information provided in this report, a schedule of changes to principal and interest due to the City for each Project Area can be found on page 104. In addition, assessed valuation information for each project area can be found beginning on page 106 of this report.

The "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*" can be found on page 92 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS****SUMMARY OF NET ASSETS**

	Governmental Activities		Dollar	Percent
	2006	2005	Increase (Decrease)	Increase (Decrease)
Current and Other Assets	\$ 584,791,038	\$ 454,324,876	\$ 130,466,162	29%
Capital Assets	133,038,352	125,971,655	7,066,697	6%
<b>Total Assets</b>	<b>717,829,390</b>	<b>580,296,531</b>	<b>137,532,859</b>	<b>24%</b>
Current and Other Liabilities	37,362,905	59,131,812	(21,768,907)	-37%
Net Long-Term Debt	816,517,980	699,829,772	116,688,208	17%
<b>Total Liabilities</b>	<b>853,880,885</b>	<b>758,961,584</b>	<b>94,919,301</b>	<b>13%</b>
<b>Net Assets</b>				
Invested in Capital Assets,				
Net of Related Debt	64,189,895	60,278,136	3,911,759	6%
Restricted	69,242,454	53,698,506	15,543,948	29%
Unrestricted	(269,483,844)	(292,641,695)	23,157,851	-8%
<b>Total Net Assets</b>	<b>\$ (136,051,495)</b>	<b>\$ (178,665,053)</b>	<b>\$ 42,613,558</b>	<b>-24%</b>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, liabilities exceeded assets at June 30, 2006, by \$136,051,495.

Of the total Net Assets \$64,189,895 represents the Agency's investment in capital assets, less any outstanding debt used to acquire these assets. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Agency's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are generally not used to liquidate these liabilities.

The Agency's Restricted Net Assets of \$69,242,454 represent resources that are subject to external restrictions on how they may be used. Restricted Net Assets increased by \$15,543,948 over the prior year, or about 29% primarily due to a net increase in resources available for Low and Moderate Income Housing.

There are several factors contributing to the Agency's deficit of \$269,483,844 in Unrestricted Net Assets. First, the Agency typically borrows funds from the City when a project area does not generate sufficient tax increment to fund redevelopment activities in the area, mostly during the initial stages of a project area's life. At the point sufficient tax increment revenues are generated, the Agency issues long term debt, pledging future tax increment revenues for the repayment of these obligations. The investment of these long term debt proceeds in the project area allows additional tax increment revenues to be generated. In addition, the Agency has used long term debt to acquire properties that have been sold to developers or conveyed to the City at a loss. Another important factor is the fact that the Agency uses a majority of the borrowed funds for activities such as public improvements, public parking, community development activities, commercial and retail projects, housing, and rehabilitation of properties not owned by the Agency. Finally, the Agency incurs interest expense associated with long term debt.

**CHANGES IN NET ASSETS**

	Governmental Activities		Dollar	Percent
	2006	2005	Increase (Decrease)	Increase (Decrease)
Revenues:				
Program Revenues				
Operating Grants and Contributions	\$ 7,195,671	\$ 4,157,786	\$ 3,037,885	73%
Capital Grants and Contributions	15,673,159	12,769,737	2,903,422	23%
General Revenues				
Property Taxes	125,660,714	93,022,608	32,638,106	35%
Grants and Contributions Not Restricted to Specific Programs	1,699,894	3,396,516	(1,696,622)	-50%
Revenue from Use of Money and Property	12,926,520	9,091,476	3,835,044	42%
Gain on Sale of Land Held for Resale	18,167,987	1,165,650	17,002,337	1459%
Loss on Retirement of Capital Assets	(8,171,563)	-	(8,171,563)	100%
Total Revenues	173,152,382	123,603,773	49,548,609	40%
Expenses:				
General Government and Support	54,959,970	33,725,607	21,234,363	63%
Neighborhood Services	42,448,653	31,717,361	10,731,292	34%
Interest on Long-Term Debt	33,130,201	32,742,581	387,620	1%
Total Expenses	130,538,824	98,185,549	32,353,275	33%
Change in Net Assets	42,613,558	25,418,224	17,195,334	68%
Net Assets, July 1	(178,665,053)	(204,083,277)	25,418,224	-12%
Net Assets, June 30	\$ (136,051,495)	\$ (178,665,053)	\$ 42,613,558	-24%

**Governmental Activities**

Governmental activities increased the Agency's net assets by \$42,613,558 hereby accounting for 100% of the total increase in net assets during fiscal year 2006. Key elements of this increase are as follows:

- Gain on the sale of land held for resale increased by \$17,002,337 or about 1459%. This was mostly due to gains on the disposition of properties adjacent to the ballpark in the Centre City Project Area.
- Loss on Retirement of Capital Assets increased by \$8,171,563 due to the conveyance of land, in the Centre City Project Area, to the City of San Diego.
- Property Tax revenues increased by \$32,638,106 or about 35%, due to increases in assessed property valuations in the various project areas. Most of the increase is attributed to the Centre City Project Area which showed an increase in tax increment revenue of \$23,001,516, or about 40%, over the prior year.
- General Government and Support Expense increased by \$21,234,363 or about 63%. This was attributed in part to the repayment of funds by the Agency to the Port of San Diego totaling \$16,836,855. These funds had been received in prior years by the Agency for the acquisition of Tailgate Park property under a Purchase and Sale Agreement. The agreement however, did not materialize. Also contributing to the variance was an increase of \$4,079,780 in tax sharing payments to other Agencies mostly due to higher tax increment revenues received during the current fiscal year.
- Neighborhood Services expense increased by \$10,731,292 or approximately 34%. This was mostly attributed to valuation adjustments of property held for resale in the College Community, City Heights and Centre City Project Areas.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

All of the Agency's funds are governmental funds, the focus of which is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2006, the Agency's governmental funds reported combined ending fund balances of \$564,989,132. Approximately 53% or \$300,854,538 of the combined fund balances constitutes unreserved fund balance, which is available for spending at the Agency's discretion. The remaining amount of \$264,134,594 is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the period, (2) to pay debt service, (3) to increase low to moderate income housing or (4) for a variety of other restricted purposes.

The Agency's fund balances increased by \$137,482,808, or about 32% over the prior year. The increase is primarily attributed to an increase of \$109,985,000 in bond proceeds from the issuance of the 2006 Centre City Tax Allocation Bonds. Also contributing to the increase, was tax increment revenue growth of \$32,638,106, or about 35%. The following table shows a breakdown of year over year changes in tax increment revenue for each project area.

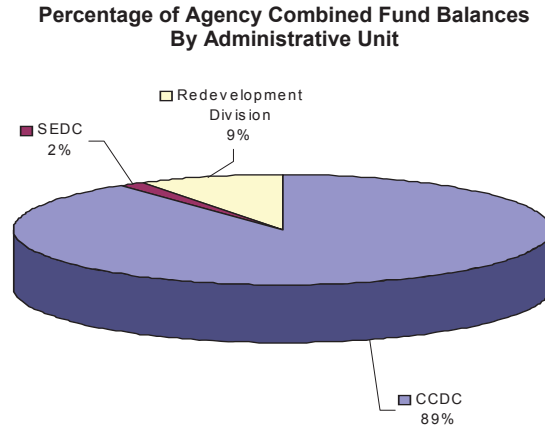
### CHANGES IN TAX INCREMENT

	Tax Increment		Dollar Increase (Decrease)	Percent Increase (Decrease)
	2006	2005		
Barrio Logan	\$ 368,628	\$ 298,916	\$ 69,712	23%
Central Imperial	1,929,488	1,603,809	325,679	20%
Centre City	80,638,655	57,637,139	23,001,516	40%
City Heights	11,315,881	8,935,772	2,380,109	27%
College Community	734,840	235,527	499,313	212%
College Grove	716,349	794,724	(78,375)	-10%
Crossroads	2,300,716	1,216,759	1,083,957	89%
Gateway Center West	281,862	258,629	23,233	9%
Grantville	-	-	-	0%
Horton Plaza	7,580,311	7,210,818	369,493	5%
Linda Vista	89,161	85,962	3,199	4%
Mount Hope	1,299,631	1,164,814	134,817	12%
Naval Training Center	3,907,078	2,714,046	1,193,032	44%
North Bay	4,638,970	3,885,849	753,121	19%
North Park	4,915,074	3,735,257	1,179,817	32%
San Ysidro	3,271,959	2,046,658	1,225,301	60%
Southcrest	1,672,111	1,197,929	474,182	40%
	<u>\$ 125,660,714</u>	<u>\$ 93,022,608</u>	<u>\$ 32,638,106</u>	35%

Of the total tax increment revenue received by a project area, 80% is allocated for redevelopment activities and 20% for affordable housing projects. Project areas in which the Agency has pledged tax increment revenue to repay either housing or redevelopment debt use these allocations to satisfy the Agency's debt obligations. In addition, tax increment revenue is distributed to other governmental entities,

from the redevelopment activities 80% allocation, based on formulas established by California Redevelopment Law, or by tax sharing agreements.

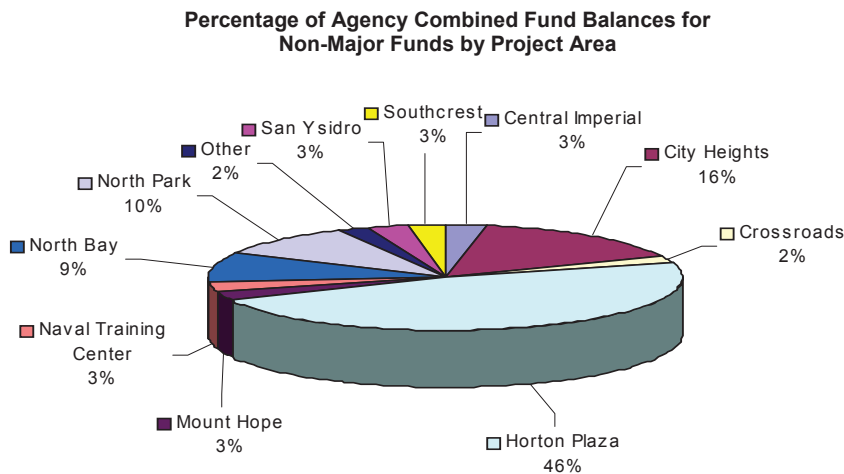
The Agency's 17 project areas are managed by three distinct administrative units, the Centre City Development Corporation (CCDC), the Southeastern Economic Development Corporation (SEDC) and the Redevelopment Division of the City of San Diego. The following chart illustrates the composition of the Agency's fund balances by each of the three administrative units.



The CCDC administers the two project areas with the largest share of the Agency's combined fund balances. As of June 30, 2006, project areas administered by the CCDC, accounted for \$506,913,788 or about 89% of the Agency's combined fund balances. The Centre City and Horton Plaza project areas accounted for 80% and 9% of the Agency's combined fund balances, respectively. All of the Centre City Project Area funds are considered major funds

The SEDC administers four of the Agency's 17 project areas which, as of the end of fiscal year 2006, accounted for \$9,589,050, or about, 2%, of the Agency's combined fund balances. The Redevelopment Division of the City of San Diego administers the remaining 11 project areas which account for \$48,486,294, or about 9%, of the Agency's combined fund balances. None of the funds in the project areas administered by the SEDC or the Redevelopment Division of the City of San Diego are considered major funds.

The following chart reflects the composition of the Agency's fund balances for non-major funds grouped by each of the project areas.



## Major Governmental Funds

*Centre City Low and Moderate Income Housing Special Revenue Fund.* The Centre City Low and Moderate Income Housing Special Revenue Fund is used to account for costs associated with increasing, improving, or preserving the community's supply of low and moderate income housing in the Centre City Project Area. The primary source of revenue for this fund is the 20% tax increment revenue allocation required by redevelopment law. The fund balance at June 30, 2006 amounted to \$117,983,686 which is an increase of \$39,165,959, or about 50% over the prior year. Most of the increase is attributed to receipt of proceeds from the Centre City Housing Bonds Series 2006B.

*Centre City Other Special Revenue Fund.* The Centre City Other Special Revenue Fund is used to account for revenues such as tax increment and parking revenue. The expenditures recorded in this fund are primarily for tax sharing payments under agreements with other governmental agencies. This fund also accounts for transfers to the Centre City Capital Projects Fund and Centre City Debt Service Fund. The fund balance at June 30, 2006 amounted to \$85,010,281 which is an increase of \$8,585,621 or approximately 11%, over the prior year. Most of the increase is attributed to an increase in tax increment revenue offset by transfers to the Centre City Capital Projects Fund and the Centre City Debt Service Fund.

*Centre City Debt Service Fund.* The Centre City Debt Service Fund is used to record debt-related activity such as debt service payments, investment activity for bonds held with a fiscal agent, and bond issuance costs associated with the Centre City Redevelopment Project Area. At the end of the fiscal year, the Centre City Debt Service Fund had a total balance of \$44,345,757 of which, \$43,559,849, or about 98% is reserved for debt service. The Fund balance showed an increase of \$317,869 from the prior year primarily due to unspent interest earnings on bond reserve accounts.

*Centre City Capital Projects Fund.* The Centre City Capital Projects Fund is used to account for expenditures related to various redevelopment projects in the Centre City Project Area, with the use of such funding sources as tax increment, bond proceeds, and developer contributions. This fund also accounts for the receipt of bond proceeds and transfers of tax increment from the Centre City Special Revenue Fund. The fund balance at June 30, 2006 amounted to \$207,414,471 which is an increase of \$87,116,109 or about 72% over the prior year. Most of the increase is attributed to receipt of proceeds from the Centre City Bonds Series 2006A.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

Capital assets of governmental funds are capitalized at the government-wide level and not at the fund level. Differences between the fund and government-wide statements reporting for these governmental assets will be explained in both the reconciliation and the accompanying notes to the financial statements.

The Agency's investment in capital assets, net of accumulated depreciation, for governmental activities for the year ended June 30, 2006, amounts to \$133,038,352, representing an overall increase in the Agency's investment in capital assets of \$7,066,697, or about 6%, over the previous year. Of the total increase, \$2,500,239 is associated with the purchase of land for the Bayside Fire Station, \$9,533,690 is associated with the construction of the North Park Theatre and \$3,912,425 is associated with the rehabilitation of the Balboa Theatre. These increases were off-set by the conveyance of several land parcels to the City totaling \$8,171,563.



**REDEVELOPMENT AGENCY  
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION**

	2006	2005
Land	\$ 86,685,461	\$ 89,862,126
Construction in Progress	7,085,227	6,334,308
Structures and Improvements	39,107,476	29,582,907
Equipment	160,188	192,314
Total	\$ 133,038,352	\$ 125,971,655

Additional information about the Agency's capital assets can be found in the accompanying notes to the financial statements (see Note 4).

**HIGHLIGHTS OF FISCAL YEAR 2006 CAPITAL IMPROVEMENT ACTIVITIES**

**Governmental Activities**

Barrio Logan Redevelopment Project Area

- Started construction of the Gateway I Family Apartments consisting of 42 new affordable family housing units.

Central Imperial Redevelopment Project Area

- Made provisions to accommodate a further subdivision of a 40 acre site property to allow for an 8,000 sq.ft. Navy Federal Credit Union scheduled to be under construction in the first quarter of Fiscal Year 2007.
- Completed the Imperial Avenue Corridor Master Plan, a detailed plan encouraging residential and commercial mixed-use.
- The SEDC Board of Directors approved an Exclusive Negotiating Agreement (ENA) with Imperial Avenue Partners, LLC (Developer) for the development of the first phase of the Imperial Avenue Corridor Master Plan area.
- The SEDC Board of Directors approved an ENA with Ito-Girard for development of a 1 acre site located on the 5000 block of Imperial Avenue. The Project is proposed for 64 residential units.
- Completed development of a retail center consisting of approximately 142,000 sq.ft., anchored by the Food-For-Less Supermarket.
- The SEDC Board of Directors approved the ENA with Carter Reese and Associates for development of the approximately 170 residential units.

Centre City Redevelopment Project Area

- Completed the Broadway 655 Class A Office hi-rise with Retail and Residential, including 356,000 gross square feet office building, 12 residential units totaling 11,500 square feet, 16,314 square feet of Restaurant and Retail and 765 parking spaces.
- Completed construction of the Diamond Terrace Project in East Village district including 113 market rate residential units and 11,000 square feet of retail space.
- Opened the House of Blues Restaurant, a general admission standing venue located in the Gaslamp district.
- Opened the Palm Restaurant in East Village district.
- Opened the Pinnacle Museum Tower, a residential hi-rise including 182 market rate condominiums in the Marina district.

- Completed the Element, a mid-rise building located in the East Village District, offering 65 market rated condominiums.
- Completed Gaslamp Square North development, an 88 unit market rate residential condominiums.
- Completed \$2.4 million of the India Street Phase II Improvements project. This project entailed the reconstruction of the public right-of-way from Grape to Laurel streets, including sidewalks, curbs, gutters, irrigated street trees, tree grates, landscape planters and street lighting.
- Completed \$0.3 million of the 8<sup>th</sup> and Ash Traffic Signals Improvement project.

#### City Heights Redevelopment Project Area

- Completed the Talmadge Senior Village Project, consisting of 80 affordable units for senior citizens.
- Broke ground for the City Heights Square Senior Housing project, which includes 150 affordable apartments and on-site support services.
- Broke ground for the Auburn Park project for the 69-unit multi-family residential development including market-rate and affordable units.

#### College Community Redevelopment Project Area

- Continued negotiations with San Diego State University related to the proposed Disposition and Development Agreement for the Paseo mixed use project.

#### Crossroads Redevelopment Project Area

- Approved a Disposition and Development Agreement with the Douglas Wilson Companies for a pedestrian-oriented mixed use project.
- Continued negotiation of the development agreement with AMCAL for 116 for-sale condominiums, consisting of 99 market units and 17 affordable units.
- Continued to implement the Housing Enhancement Loan Program (HELP). Investigated expanding the program to assist low and moderate income home owners adjacent to the project area.
- Continued working with the City's Engineering and Capital Projects department to reconstruct and landscape medians along EL Cajon Boulevard from 54<sup>th</sup> Street to the 73<sup>rd</sup> Street. The Engineering and Capital Projects Department finalized the bidding documents and expect to receive construction bids for this project.

#### Gateway Redevelopment Project Area

- San Diego Gas & Electric began processing the permits necessary for the improvements to their 18-acre site as outlined in the Owner Participation Agreement with the Agency.

#### Grantville Redevelopment Project Area

- Continued initial implementation of the newly adopted Grantville Redevelopment Plan.

#### Horton Plaza Redevelopment Project Area

- Completed \$2.9 million of the Balboa Theatre seismic retrofit and demolition project.

#### Mount Hope Redevelopment Project Area

- Installed street trees throughout the community.
- Implemented a residential rehabilitation program for area residents.

- Public Improvements have been installed providing sidewalk, curb, gutter, driveways, alley paving and street lights.
- Relocation of the San Diego Urban League corporate offices into the Gateway Center East Business Park.

#### Naval Trainings Center (NTC) Redevelopment Project Area

- Completed construction on fourth office building
- Started construction on the first phase of NTC Park, a 200-room visitor hotel and 150-room extended stay hotel at NTC.

#### North Bay Redevelopment Project Area

- Approved an Owner Participation Agreement and First Implementation Agreement for the Stella at Five Points residential development, an 85-unit for-sale residential development, including 13 affordable two-bedroom units.
- Completed the Phase I of the Veteran's Village of San Diego consisting 112 new very low income transitional beds for homeless veterans
- Conveyed Pacific Highway frontage road to the Veteran's Village of San Diego for Phase I development that includes 112 transitional beds for homeless veterans.

#### North Park Redevelopment Project Area

- Opened the renovated, historical North Park Theatre.
- Opened the 400-space North Park Parking Facility.
- Continued construction of the La Boheme project, consisting of 224 condominiums and commercial space.
- Continued construction of the Renaissance, a mixed-use project at 30<sup>th</sup> and El Cajon Boulevard, including the site of the former Aztec Bowl, including fourteen affordable homes, 100 senior rental units and 24 market rate town homes.

#### San Ysidro Redevelopment Project Area

- The Las Americas housing development phase underwent City design review. Construction is expected to begin within one year.
- The Redevelopment Agency approved an Exclusive Negotiating Agreement in May 2004, which has been extended by way of three ENA extension letters, allowing for continued negotiations through May 2006 for the San Ysidro Pilot Village Project.

#### Southcrest Redevelopment Project Area

- Began development of Legacy Walk, a 110 town home condominium project located at 43<sup>rd</sup> Street and National Avenue.

### **Long-Term Debt**

At June 30, 2006, the Agency long-term debt totaled \$817,407,746. Of this amount, \$30,200,000 is secured by specified revenue sources (revenue bonds) and \$514,845,478 is comprised of tax allocation bonds. The remainder of the Agency's debt represents contracts payable, notes payable, and loans payable.

**REDEVELOPMENT AGENCY  
OUTSTANDING DEBT**

	<u>2006</u>	<u>2005</u>
Revenue Bonds	\$ 30,200,000	\$ 31,055,000
Tax Allocation Bonds	514,845,478	415,777,798
Contracts Payable	2,614,867	1,714,867
Notes Payable	15,593,544	16,223,640
Loans Payable	130,088,833	120,204,794
Accrued Interest Payable	124,065,024	116,136,740
Total	<u>\$ 817,407,746</u>	<u>\$ 701,112,839</u>

In June 2006, the Agency issued \$109,985,000 of Tax Allocation Bonds to finance various redevelopment activities in the Centre City Project Area. The bonds were issued the following ratings:

<u>Rating Agency</u>	<u>Insured Rating</u>	<u>Underlying Rating</u>
S&P	AAA	A
Moody's	Aaa	A3
Fitch, Inc.	AAA	A+

Additional information about the Agency's long-term debt can be found in the accompanying notes to the financial statements (see Note 5). Detailed information on loans payable to the City of San Diego by project area can be found on page 104 of this report.

**REQUESTS FOR INFORMATION**

This financial report was designed to provide a general overview of the Agency's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Comptroller, 202 C Street, San Diego, CA 92101 or e-mailed to the City Comptroller at [comptroller@sandiego.gov](mailto:comptroller@sandiego.gov). This financial report is also available on the City's website at [www.sandiego.gov](http://www.sandiego.gov), under the Office of the City Comptroller department.

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Basic Financial Statements  
Component Unit

**STATEMENT OF NET ASSETS**  
**June 30, 2006**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash or Equity in Pooled Cash and Investments .....	\$ 282,852,517
Cash and Investments With Fiscal Agent .....	57,356,297
Investments at Fair Value .....	145,543,843
Receivables:	
Taxes - Net .....	4,119,615
Notes .....	51,585,349
Accrued Interest .....	2,452,700
Working Capital Advances:	
Centre City Development Corporation.....	860,000
Southeastern Economic Development Corporation.....	294,266
Other Agencies.....	624,089
Land Held for Resale .....	30,805,776
Deferred Charges .....	8,296,586
Capital Assets - Non-Depreciable .....	93,770,688
Capital Assets - Depreciable .....	<u>39,267,664</u>
<b>TOTAL ASSETS</b> .....	<b>\$ 717,829,390</b>
<b>LIABILITIES</b>	
Accounts Payable .....	\$ 7,678,578
Interest Accrued on Long-Term Debt .....	8,745,422
Sundry Trust Liabilities .....	3,826,742
Long-Term Liabilities Due Within One Year.....	15,632,163
Land Acquisition Credit.....	1,480,000
Long-Term Liabilities Due After One Year:	
Contracts Payable .....	2,614,867
Developer Notes Payable .....	7,293,544
City Note Payable .....	8,300,000
City Loans Payable .....	115,745,022
Developer Loans Payable .....	11,642,249
Net Bonds Payable .....	537,638,632
Accreted Interest Payable on Bonds .....	9,218,642
Accrued Interest Payable on City Notes .....	3,142,619
Accrued Interest Payable on City Loans .....	<u>120,922,405</u>
<b>TOTAL LIABILITIES</b> .....	<b>853,880,885</b>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt .....	64,189,895
Restricted for:	
Low and Moderate Housing .....	69,242,454
Unrestricted .....	<u>(269,483,844)</u>
<b>TOTAL NET ASSETS</b> .....	<b>\$ (136,051,495)</b>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2006**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue (Expenses) and Changes in Net Assets</u>
		<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General Government and Support .....	\$ 54,959,970	\$ 3,873,821	\$ -	\$ (51,086,149)
Neighborhood Services .....	42,448,653	3,321,850	15,673,159	(23,453,644)
Interest on Long-Term Debt .....	33,130,201	-	-	(33,130,201)
<b>TOTAL GOVERNMENTAL ACTIVITIES .....</b>	<b>\$ 130,538,824</b>	<b>\$ 7,195,671</b>	<b>\$ 15,673,159</b>	<b>(107,669,994)</b>
Property Taxes .....				125,660,714
Grants and Contributions Not Restricted to Specific Programs .....				1,699,894
Revenue from Use of Money and Property .....				12,926,520
Gain on Sale of Land Held for Resale .....				18,167,987
Loss on Retirement of Capital Assets .....				(8,171,563)
<b>TOTAL GENERAL REVENUES AND TRANSFERS .....</b>				<b>150,283,552</b>
<b>CHANGE IN NET ASSETS .....</b>				<b>42,613,558</b>
Net Assets at Beginning of Year.....				(178,665,053)
<b>NET ASSETS AT END OF YEAR .....</b>				<b>\$ (136,051,495)</b>

The accompanying notes are an integral part of the financial statements.

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2006**

	Centre City		
	Special Revenue		Debt Service
	Low-Mod	Other	
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 79,208,085	\$ 82,201,488	\$ 49,289
Cash and Investments with Fiscal Agent.....	-	-	43,520,643
Investments at Fair Value.....	-	-	-
Receivables:			
Taxes.....	-	2,676,713	-
Notes and Contracts.....	23,496,717	-	-
Interest.....	475,290	667,423	44,794
From Other Funds.....	535,343	-	731,031
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	-	-	-
General Working Capital.....	-	-	-
Land Held for Resale.....	16,059,247	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 119,774,682</b>	<b>\$ 85,545,624</b>	<b>\$ 44,345,757</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 1,696,302	\$ -	\$ -
Due to Other Funds.....	-	535,343	-
Trust Liability.....	94,694	-	-
<b>TOTAL LIABILITIES.....</b>	<b>1,790,996</b>	<b>535,343</b>	<b>-</b>
<b>FUND BALANCES</b>			
Reserved for Land Held for Resale.....	16,059,247	-	-
Reserved for Notes Receivable.....	23,496,717	-	-
Reserved for Encumbrances.....	29,451,288	-	-
Reserved for Working Capital Advances.....	-	-	-
Reserved for Low and Moderate Income Housing.....	48,976,434	-	-
Reserved for Debt Service.....	-	-	43,559,849
Unreserved:			
Reported in Special Revenue Funds:			
Designated for Debt Service.....	-	85,009,777	-
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	504	-
Reported in Debt Service Funds:			
Designated for Debt Service.....	-	-	735,325
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	-	50,583
Reported in Capital Projects Funds:			
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>117,983,686</b>	<b>85,010,281</b>	<b>44,345,757</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 119,774,682</b>	<b>\$ 85,545,624</b>	<b>\$ 44,345,757</b>

The accompanying notes are an integral part of the financial statements.



Centre City		
Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 64,357,561	\$ 57,036,094	\$ 282,852,517
-	13,835,654	57,356,297
132,138,971	13,404,872	145,543,843
-	1,442,902	4,119,615
5,113,584	22,975,048	51,585,349
682,966	582,227	2,452,700
-	547,124	1,813,498
585,000	275,000	860,000
-	294,266	294,266
-	624,089	624,089
10,042,062	4,704,467	30,805,776
<u>\$ 212,920,144</u>	<u>\$ 115,721,743</u>	<u>\$ 578,307,950</u>
\$ 1,366,082	\$ 4,616,194	\$ 7,678,578
731,031	547,124	1,813,498
3,408,560	323,488	3,826,742
<u>5,505,673</u>	<u>5,486,806</u>	<u>13,318,818</u>
10,042,062	4,704,467	30,805,776
5,113,584	22,975,048	51,585,349
23,593,429	9,075,150	62,119,867
585,000	1,193,355	1,778,355
-	11,453,479	60,429,913
-	13,855,485	57,415,334
-	23,840,025	108,849,802
-	6,003,437	6,003,437
-	557,113	557,617
-	-	735,325
-	147,990	147,990
-	-	50,583
168,080,396	15,768,527	183,848,923
-	660,861	660,861
<u>207,414,471</u>	<u>110,234,937</u>	<u>564,989,132</u>
<u>\$ 212,920,144</u>	<u>\$ 115,721,743</u>	
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.		
		133,038,352
Other assets and liabilities used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
		8,296,586
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
		(842,375,565)
Net Assets of Governmental Activities		<u>\$ (136,051,495)</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2006**

	Centre City		
	Special Revenue		Debt Service
	Low-Mod	Other	
<b>REVENUES</b>			
Tax Increments.....	\$ 16,127,731	\$ 64,510,924	\$ -
Interest.....	1,242,617	1,640,986	1,412,923
Rents.....	198,888	-	-
Private Sources.....	1,300,229	-	-
City Participation.....	3,543	2,178,930	305,008
Other Revenue.....	10,000	-	-
<b>TOTAL REVENUES.....</b>	<b>18,883,008</b>	<b>68,330,840</b>	<b>1,717,931</b>
<b>EXPENDITURES</b>			
Administration.....	809,869	484,988	-
Legal.....	98,294	-	-
Plans and Surveys.....	77,743	-	-
Acquisition Expense.....	1,175	-	-
Real Estate/Fixture Purchases.....	-	-	-
Property Management.....	32,327	-	-
Relocation.....	38,977	-	-
Rehabilitation.....	27,150	-	-
Site Clearance.....	-	-	-
Project Improvements.....	8,421,133	-	-
Promotions and Marketing.....	-	-	-
Bond Sale Expense.....	893,871	-	-
Program Management.....	52,925	-	-
Rehabilitation Loans.....	-	-	-
Housing Subsidies.....	-	-	-
Tax Sharing Payments.....	-	5,174,645	-
ERAF Payments.....	-	3,884,530	-
Payment to Other Agencies.....	-	-	-
City Capital Outlay.....	-	-	-
Other.....	260,580	-	-
Debt Service:			
Principal.....	-	-	9,817,686
Interest.....	-	-	15,781,288
<b>TOTAL EXPENDITURES.....</b>	<b>10,714,044</b>	<b>9,544,163</b>	<b>25,598,974</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>8,168,964</b>	<b>58,786,677</b>	<b>(23,881,043)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Tax Increments.....	-	-	20,384,678
Transfers from Other Funds.....	-	-	4,840,768
Transfers from Bond Proceeds.....	-	-	735,642
Transfers to Other Funds.....	(2,666,449)	(50,201,056)	(1,762,176)
Proceeds from Bonds.....	33,760,000	-	-
Proceeds from Developer Loans, Notes and Contracts.....	-	-	-
Loans from the City of San Diego.....	-	-	-
Premium on Bonds Issued.....	-	-	-
Discount on Bonds Issued.....	(96,556)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>30,996,995</b>	<b>(50,201,056)</b>	<b>24,198,912</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>39,165,959</b>	<b>8,585,621</b>	<b>317,869</b>
<b>FUND BALANCES AT JULY 1, 2005.....</b>	<b>78,817,727</b>	<b>76,424,660</b>	<b>44,027,888</b>
<b>FUND BALANCES AT JUNE 30, 2006.....</b>	<b>\$ 117,983,686</b>	<b>\$ 85,010,281</b>	<b>\$ 44,345,757</b>

The accompanying notes are an integral part of the financial statements.

<u>Centre City</u>		
Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 45,022,059	\$ 125,660,714
4,035,021	3,189,340	11,520,887
999,762	206,983	1,405,633
18,646,115	5,634,709	25,581,053
261,702	-	2,749,183
4,418,263	284,935	4,713,198
<u>28,360,863</u>	<u>54,338,026</u>	<u>171,630,668</u>
6,649,724	8,399,248	16,343,829
867,769	627,409	1,593,472
1,171,883	1,251,767	2,501,393
42,545	163,052	206,772
2,500,000	2,706,165	5,206,165
160,802	394,187	587,316
10,460	7,836	57,273
270,000	2,657,109	2,954,259
216,235	93,836	310,071
16,243,236	22,540,870	47,205,239
72,106	1,572	73,678
1,795,235	-	2,689,106
1,633,803	920,861	2,607,589
-	1,116,887	1,116,887
-	1,025,000	1,025,000
-	6,630,443	11,805,088
-	2,174,034	6,058,564
16,789,135	-	16,789,135
225,654	-	225,654
-	2,098,573	2,359,153
-	3,629,306	13,446,992
-	7,429,784	23,211,072
<u>48,648,587</u>	<u>63,867,939</u>	<u>158,373,707</u>
<u>(20,287,724)</u>	<u>(9,529,913)</u>	<u>13,256,961</u>
14,601,170	19,233,819	54,219,667
14,798,454	14,998,683	34,637,905
-	537,571	1,273,213
(731,031)	(34,770,073)	(90,130,785)
76,225,000	-	109,985,000
-	10,070,561	10,070,561
1,452	1,756,602	1,758,054
2,508,788	-	2,508,788
-	-	(96,556)
<u>107,403,833</u>	<u>11,827,163</u>	<u>124,225,847</u>
87,116,109	2,297,250	137,482,808
<u>120,298,362</u>	<u>107,937,687</u>	<u>427,506,324</u>
<u>\$ 207,414,471</u>	<u>\$ 110,234,937</u>	<u>\$ 564,989,132</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2006**

Net change in fund balances - total governmental funds (page 33)	\$	137,482,808
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
		15,238,260
<p>Governmental funds report proceeds associated with the retirement of capital assets. Conversely, the Statement of Activities only reports gains or losses arising from the retirement of capital assets.</p>		
		(8,171,563)
<p>The issuance of notes by the Agency for the sale of property held for resale consumes current financial resources of governmental funds, while the repayment of these notes provide current financial resources of governmental funds. However, in the Statement of Activities the revenue is recognized at the time the property is sold regardless of the timing of the repayment of these notes. This amount is the net effect of these differences in the treatment of Notes Receivable.</p>		
		(5,461,406)
<p>Revenues in the Statement of Activities for the reduction of land acquisition credits do not provide current financial resources and are not reported in the funds.</p>		
		21,945,000
<p>The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		(109,845,423)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources (i.e. interest on long-term debt, amortization of bond premiums and discounts), and therefore are not accrued as expenses in governmental funds.</p>		
		(8,574,118)
Change in net assets of governmental activities (page 29)	\$	<u>42,613,558</u>

**The accompanying notes are an integral part of the financial statements.**

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2006**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Redevelopment Agency of the City of San Diego ("Agency") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applicable to government units. The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements. The significant accounting principles and policies utilized by the Agency are described below.

a. Scope of Financial Reporting Entity

The Agency was established by the City of San Diego Council in 1958 for the purpose of providing a method to revitalize deteriorated and blighted areas within designated areas of the City of San Diego ("City"). The Agency began functioning in 1969 pursuant to the Community Redevelopment Law of California as codified in the State of California Health and Safety Code.

Under GASB Statement No. 14, the Agency is considered a component unit of the City. The Agency's basic financial statements, which are presented as a blended component unit in the basic financial statements of the City, present an aggregation of funds associated with 17 redevelopment project areas. The redevelopment project areas are overseen by the Agency's three administrative units: Centre City Development Corporation ("CCDC"), Southeastern Economic Development Corporation, Inc. ("SEDC") and the Redevelopment Division of the City's City Planning and Community Investment Department.

CCDC and SEDC are non-profit corporations organized by the City to administer certain redevelopment projects (CCDC in downtown San Diego and SEDC in Southeast San Diego) as well as to provide redevelopment advisory services to the Agency. These activities are carried out pursuant to operating agreements with both the City and the Agency under which the City and the Agency agree to reimburse CCDC/SEDC for all eligible costs (as defined) incurred in connection with such activities.

The City Council, acting in accordance with the City Charter, the City's Municipal Code and applicable state laws, appoints the members of the Board of Directors of CCDC and SEDC and acts as the Agency's Board of Directors.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

All funds presented in the fund financial statements are governmental funds. Major governmental funds are reported as separate columns in the fund financial statements.

The Agency reports the following major funds:

Centre City Low and Moderate Income Housing Fund – The Centre City Low and Moderate Income Housing Fund is a Special Revenue Fund used to account for 20 percent of the tax increment revenue generated from the Centre City Redevelopment Project Area and the costs associated with the Agency's effort to increase and improve the community's supply of affordable housing for persons and families of low and moderate income in this area.

Centre City Other Special Revenue Fund – The Centre City Other Special Revenue Fund is used to account for specific revenue sources related to the Centre City Redevelopment Project Area such as tax increment revenue and parking revenue. This fund also accounts for transfers to the Centre City Capital Projects Fund, the Centre City Debt Service Fund and payments to Other Taxing Entities.

Centre City Debt Service Fund – The Centre City Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the Centre City Redevelopment Project Area.

Centre City Capital Projects Fund – The Centre City Capital Projects Fund is used to account for the receipt of bond proceeds, costs associated with the acquisition of land held for resale, construction of major capital facilities, development and improvement of infrastructure and other public improvements in the Centre City Redevelopment Project Area.

Additionally, the Agency reports the following other governmental fund types:

Special Revenue Funds – Special revenue funds are used to account for proceeds of specific revenue sources (other than those for major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, governmental activities long-term debt principal, interest, and related costs.

Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

All non-major governmental funds are accounted for and reported similarly to major governmental funds.

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

**Government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

**Governmental fund financial statements** are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when the related fund liability is incurred except for principal and interest of general long-term debt which are recognized when due.

Revenues which are considered susceptible to accrual include real property taxes, rents, and interest provided they are received within 60 days from the end of the fiscal year. Charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Amounts reported as program revenues include (1) operating grants and contributions and (2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

d. Tax Increment Revenue

Tax Increment Revenues represent taxes collected in the Agency's redevelopment project areas from the excess of taxes levied and collected over that amount which was levied and collected in the base year (the inception year of redevelopment project areas) property tax assessment along with a provision for inflation.

The County of San Diego (the "County") assesses, bills, and collects property taxes on behalf of numerous special districts and incorporated cities, including the Redevelopment Agency of the City of San Diego. The Agency's collections of current year's taxes are received through periodic apportionments from the County.

Property owners of the City can appeal the assessment of their property to the County Assessment Appeals Board. Property taxable values may be reduced as a result of a successful appeal of the taxable value of property determined by the County Assessor. An appeal may result in a reduction of the County Assessor's original taxable value and tax refund to the applicant property owner. The reduction in future Project Areas taxable values and the refund of taxes affects all taxing entities, including the Agency.

The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Since the passage of California's Proposition 13, beginning with fiscal year ended 1979 general property taxes are based either on a flat 1% rate applied to the 1975-76 full value of the property or on 1% of the sales price of any property sold or of the cost of any new construction after the 1975-76 valuation. Taxable values of properties (exclusive of increases related to sales and new construction) can rise a maximum of 2% per year. The Proposition 13 limitation on general property taxes does not apply to taxes levied to pay the debt service on any indebtedness approved by the voters prior to June 6, 1978 (the date of passage of Proposition 13).

At the government-wide level, Tax Increment Revenue is recognized in the fiscal year for which the taxes have been levied. For the governmental funds, property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 60 days of year end. Tax Increment Revenues received after this date are not considered available as a resource that can be used to finance the current year operations of the Agency and, therefore, are recorded as deferred revenue in the governmental funds.

e. Budgetary Data

Prior to June 1, the Executive Director submits to the Agency Board of Directors and the City Council, a proposed budget for the fiscal year commencing July 1. This budget includes annual budgets for many of the Debt Service funds, all Capital Projects funds, and the Low and Moderate Income Housing Special Revenue funds.

A budget is not adopted for special revenue funds, other than the low and moderate income housing funds, since these funds are mostly used to collect tax increment revenue and bond proceeds. For this reason, a budget to actual comparison is not required for the Centre City Other Special Revenue major fund. A budget to actual comparison for the Centre City Low and Moderate Income Housing Fund is presented on page 62 of this report.

During the proposed budgetary hearing, public comment is heard. The Agency's budget is then legally adopted generally during the months of May or June, through passage of resolutions by the Agency's Board of Directors.



Budgetary control is maintained at the total fund appropriation level. All amendments to the adopted budget require Agency Board of Directors' approval except as delegated in the Annual Appropriation Resolution. The head of each of the administrative units, or their designee are authorized under the Appropriation Resolution to request the City Auditor and Comptroller to make budgetary transfers within each project fund and transfer appropriations or loan available funds between sub-projects within a project, provided that such transfers or loans do not increase or decrease the total project budget or result in a use of funds which would be inconsistent with the permitted use(s) of such funds.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause reported budget amounts to be significantly different than the originally adopted budget amounts.

f. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the budgeted governmental funds.

Encumbrances outstanding at year-end are reported as reservation of fund balances since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for GAAP reporting purposes.

g. Equity in Pooled Cash and Investments

The Agency's Pooled Cash and Investments are part of the City's Pooled Cash and Investments. The City's cash resources are combined to form a cash and investment pool managed by the City Treasurer (the Pool). The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it a 2a7-like pool. The investment activities of the Treasurer in managing the Pool are governed by California Government Code § 53601 and the City's Investment Policy which is reviewed by the Investment Advisory Committee and approved annually by the City Council. Interest earned on pooled investments is allocated to participating funds and entities based upon their average daily cash balance during the allocation month. Fair market value adjustments to the Pool are recorded annually; City Treasurer reports fair market values on a monthly basis. The value of the shares in the Pool is equal to the fair market value of the Pool.

The Pool participates in the State Treasurer's Local Agency Investment Fund (LAIF). Investments in LAIF are governed by State statutes and overseen by a five member Local Investment Advisory Board. The fair value of the City's position in LAIF may be greater or less than the value of the shares. Investments in LAIF are valued in these financial statements using a fair value factor provided by LAIF applied to the value of the City's shares in the investment pool.

Additionally, the Agency maintains individual accounts pursuant to bond issuances. The investment of these funds is governed by the policies set forth in individual indenture and trustee agreements.

All City investments are reported at fair value in accordance with the GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. Deposit and investment risks are disclosed in Note 3 of the notes to the financial statements in accordance with GASB 40, *Deposit and Investment Risk Disclosures*. GASB 40 was implemented to communicate deposit and investment risks to financial statement users. Common risk disclosures include interest rate risk, credit risk, concentration of credit risk, and foreign currency risk. Note 3 also contains additional information on permissible investments per the City's Investment Policy and other policies applicable to the cash and investments reported herein.

**h. Land Held for Resale**

Land Held for Resale, purchased by the Agency, is reported in the government-wide and fund financial statements at the lower of cost or net realizable value. In the governmental fund financial statements, fund balances are reserved in an amount equal to the carrying value of land held for resale because such assets are not available to finance the Agency’s current operations.

Land is originally recorded at historical cost and adjusted to net realizable value when the Agency enters into disposition and development agreements whereby the property will be sold for less than its historical cost, when a property is impaired or when property values decrease due to market conditions.

**i. Capital Assets**

Non-depreciable Capital assets, which include land and construction in progress, are reported in the government-wide financial statements. Depreciable Capital assets, which include structures, improvements and equipment, are reported in the government-wide financial statements net of accumulated depreciation. To meet the criteria for capitalization, the asset must have a useful life in excess of one year and in the case of equipment outlay, must equal or exceed a capitalization threshold of \$5,000. All other capital assets such as land and structures are capitalized regardless of cost. Subsequent improvements are capitalized to the extent that they extend the initial estimated useful life of the capitalized asset or improve the efficiency or capacity of that asset. Costs for routine maintenance are expensed as incurred. Costs related to development of City infrastructure are not capitalized because these assets are maintained by the City and not the Agency.

Capital assets, when purchased or constructed, are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair market value on the date of donation. Depreciation of capital assets is computed using the straight-line method over the estimated useful life of the asset as follows:

Assets	Years
Structures and Improvements	20-50
Equipment	3-25

**j. Deferred Charges**

In the government-wide financial statements, Deferred Charges represent the unamortized portion of bond issuance costs. These costs will be amortized over the life of the related bonds using a method which approximates the effective yield method.

**k. Interfund Transactions**

Interfund transactions between the Agency’s Governmental Funds are mostly transfers of assets (such as cash or goods) without equivalent flows of assets in return.

Tax increment revenue is originally deposited in Special Revenue funds. As expenditures are incurred in the Capital Projects Funds, cash is transferred from the Special Revenue Funds to cover the expenditures. In addition, tax increment revenue is transferred to the Debt Service Funds for payment of long term debt obligations.

Housing Bond Proceeds are recorded in the Low and Moderate Income Housing Funds while Redevelopment Bond Proceeds are recorded in the Capital Projects Funds. These proceeds are typically expended in the funds where they are recorded. However, they are sometimes transferred to the Debt Service Funds to satisfy a debt obligation to the City or a Developer.

I. Non-Monetary Transactions

Under certain agreements with the Agency, developers advance funds to the Agency for the purpose of acquiring land, sometimes under eminent domain. These advances, called land acquisition credits, are earned at the time the funds are advanced by the developer in the fund financial statements and earned at the time they are used by developers against the sales price of property in the government-wide financial statements. Historically, these credits have been used for infrastructure projects, such as the Ballpark. In the current year, developers used \$21,945,000 in land acquisition credits for the acquisition of properties in the Centre City Project Area.

m. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, bond issuance costs and bond refunding gains and losses are amortized over the life of the bonds, using a method that approximates the effective yield method. Net bonds payable reflect amortized bond accretion and unamortized bond discounts, premiums and refunding gains and losses.

n. Sundry Trust Liabilities

Under approval of certain agreements, developers submit to the Agency an initial deposit to ensure the Developer proceeds diligently and in good faith to negotiate and perform all of the obligations under the agreement. These deposits can normally be used for administrative costs of the Agency. In the government-wide financial statements and in the fund financial statements, the unspent portion of these deposits, called Sundry Trust Liabilities, are reported as liabilities of the Agency.

o. Claims and Judgments

The costs of claims and judgments are accrued when incurred and measurable in the government-wide financial statements. In governmental funds, the costs of claims and judgments are recorded as expenditures when payments are made.

p. Net Assets and Fund Equity

In the government-wide financial statements, net assets are categorized as follows:

- Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition of these assets.
- Restricted Net Assets consist of assets, net of any related liabilities, which have had restrictions imposed on them by external creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first and then unrestricted resources, as they are needed
- Unrestricted Net Assets consist of net assets that do not meet the definition of Invested in Capital Assets, Net of Related Debt or Restricted Net Assets.

In the fund financial statements, portions of fund equity of governmental funds have been reserved for specific purposes. Reservations were created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not approprable for future expenditures.

Designated fund balance represents that portion of fund equity for which the Agency has made tentative plans.

Undesignated fund balance represents that portion of fund equity which is available for appropriation in future periods.

q. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of certain assets and liabilities, disclosure of contingent assets and liabilities, and the related reported amounts of revenues and expenses. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

r. Disposition and Development Agreement

The Redevelopment Agency and McMillin-NTC, LLC entered into a Disposition and Development Agreement, dated June 26, 2000, and a Third Implementation Agreement, dated May 6, 2003, which were executed for the purpose of effectuating the Redevelopment Plan at the Naval Training Center Redevelopment Project, in addition to constructing and installing additional infrastructure improvements as required by the City. The developer has agreed to advance the funds needed to pay for infrastructure costs. The Agency has consistently reimbursed for eligible costs as they are billed, therefore, this agreement is not treated as a loan, and instead expenditures are recognized as payments are made to the developer and a corresponding capital asset is recorded in the government-wide financial statements.

On March 30, 2004 the Redevelopment Agency entered into a Disposition and Development Agreement (DDA) with Western Pacific Housing for a condominium development project in the North Park Redevelopment Project Area. Under the agreement, the Agency promised to pay the maximum aggregate principal amount of \$3,000,000 of which \$2,100,000 represents the Affordability Component of the Agency Payment Obligation, and \$900,000 represents the Public Improvement Component of the Agency Payment Obligation. The Affordability Component is subject to an adjustment based on the actual project sales revenue proceeds received by the Developer. This adjustment amount cannot be computed until all 45 affordable units are sold. The principal amount outstanding bears simple interest at a rate equal to 5% per annum. Solely for the purposes of calculating the amount of interest payable, the developer shall be deemed to have paid an amount equal to 25% of the Agency's Payment Obligation as of the date which is 195 days after closing of escrow, 50% as of the date which is 390 days after closing of escrow, 75% as of the date which is 585 days after closing of escrow, and 100% at the completion date, which is the date on which the release of construction covenants under the agreement have been recorded in the official records of the San Diego County. For purposes of calculating the amount of interest payable, the principal amounts stated above will be reduced by a 10% per annum applied on a pro rata basis for the period of time the Developer is not in compliance with the schedule of performance dates stated in the agreement for commencement and completion of construction. All payments shall be made from the site-generated property tax increment. To date, only the \$900,000 representing the Public Improvement Component of the Agency Payment Obligation, has been recognized as a liability since the remaining \$2,100,000 representing the Affordability Component of the Agency Payment Obligation, is subject to adjustment upon final sales of all 45 affordable units, which has yet to occur.

On April 4, 2004, the Agency approved a DDA for the development and construction of a 12-story, mixed-use commercial building. The Agency is responsible for the purchase of a 5,000 square feet parcel for the proposed site. The Developer will pay a purchase price for the acquisition parcel consisting of the greater of the sum of all acquisition and relocation costs or \$1,250,000, which is the estimated fair reuse value of the parcel for the project. To date, the Developer has advanced funds in the amount of \$8,875,000. Due to the fact that the entire advance has been used for the acquisition property, the full amount has been recognized as revenue. The property has not yet been conveyed to the developer and is reflected as Land Held for Resale in the Centre City Capital Project Fund and on the Agency's Statement of Net Assets.

On July 21, 2003, the Agency entered into a DDA with Citymark Farenheit LLC (“Developer”). Pursuant to the DDA the Agency sold a property to the developer for a purchase price of \$3,500,000 and a contingent portion for the sale of each of the for-sale market-rate residential unit developed on the property. Proceeds from the sale of the property resulted in a gain which was recognized at the time the Agency conveyed the property to the developer. Revenue from the sale of each unit is recognized at the time the unit is sold and the revenue is received by Agency.

s. Tax Increment Sharing Payments

Prior to the adoption of Section 33607.5 of the Redevelopment Law, a redevelopment agency was authorized to enter into an agreement to pay tax increments revenues to any taxing agency that had territory located within a redevelopment project area in an amount which, in the agency’s determination, was appropriate to alleviate any financial burden or detriment caused by the redevelopment project. These agreements normally provided for a pass-through of tax increment revenues directly to the affected taxing agency, and, therefore, are commonly referred to as “pass-through-agreements”.

Section 33607.5 of the Redevelopment Law repealed the provisions that enabled pass-through agreements, although existing pass-through agreements remain in place. Section 33607.5 replaces the payments from new pass-through agreements with a statutory tax increment sharing formula for all redevelopment project areas established on or after January 1, 1994 and requires statutory pass-through payments (“Statutory Pass-through Payments”) to all existing taxing entities.

Section 33607.7 was subsequently added to the Redevelopment Law to provide for Statutory Pass-through Payments to affected taxing entities that do not have existing tax sharing agreements. If a redevelopment plan adopted prior to January 1, 1994 is amended to eliminate its time limit on the establishing of loans, advances and indebtedness.

The amounts of Statutory Pass-through Payments under section 33607.5 are computed as follows:

- From the first fiscal year in which the Agency receives tax increment until the last fiscal year in which the Agency receives the tax increment, 25% of the tax increments are passed through to the entities (net of the 20% housing set aside).
- Commencing in the eleventh year, an additional 21% of the tax increment in excess of the tenth year tax increment is passed through to the entities (net of the 20% housing set aside).
- Commencing in the thirty first year, an additional 14% of the tax increment in excess of the thirtieth year tax increment is passed through to the entities (net of the 20% housing set aside).

The Agency records liabilities and expenditure related to tax sharing payments based on the criteria established by GAS 33. The Agency defines the applicable period for recognition as the fiscal year in which tax increment sharing payments are appropriated. Instances in which tax sharing payments are not made in the year they are appropriated result in a liability and expenditure to the Agency for that year, regardless of the timing of cash flows.

## 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Governmental Funds Balance Sheet includes a reconciliation between Total Fund Equity - Governmental Funds and Total Net Assets - Governmental Activities as reported in the Government-wide Statement of Net Assets. Certain adjustments are necessary to reconcile governmental funds to governmental activities. The details of these adjustments are as follows.

- a. Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets:

An element of the reconciliation states, "Other assets and liabilities used in governmental activities are not financial resources, and therefore, are not reported in the funds." The details of this \$8,296,586 difference are as follows:

Deferred Charges, net July 1, 2005	\$ 6,012,808
Issuance Costs	2,689,106
Amortization Expense	<u>(405,328)</u>
Net adjustment to increase Total Fund Balances – Governmental Funds to arrive at Total Net Assets of Governmental Activities	<u>\$ 8,296,586</u>

Another element of the reconciliation states that "Some liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(842,375,565) difference are as follows:

Bonds Payable	\$ (545,045,478)
Net Premiums and Discounts on Bond Issuances	(6,718,129)
Unamortized Loss on Refunding	1,194,374
Contracts Payable	(2,614,867)
Notes Payable	(15,593,544)
Loans Payable	(130,088,833)
Accreted Interest Payable on Bonds	(9,218,642)
Accrued Interest Payable on Long Term Debt	(8,745,422)
Accrued Interest Payable on City Loans and Notes	(124,065,024)
Land Acquisition Credits	<u>(1,480,000)</u>
Net adjustment to decrease Total Fund Balances - Governmental Funds to arrive at Total Net Assets of Governmental Activities	<u>\$ (842,375,565)</u>

- b. Explanation of certain differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities:

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between Net Change in Fund Balances - Total Governmental Funds and Changes in Net Assets of Governmental Activities as reported in the Government-wide Statement of Activities. One element of that reconciliation explains that, "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$15,238,260 difference are as follows:

Capital outlay	\$ 16,030,923
Depreciation expense	<u>(792,663)</u>
Net adjustment to increase Net Changes in Fund Balances – Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	<u>\$ 15,238,260</u>

Another element of the reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(109,845,423) difference are as follows:

Debt Issued or Incurred:	
Issuance of Tax Allocation Bonds	\$ (109,985,000)
Less Premiums and Discounts	(2,412,232)
Bond Issuance Costs	2,689,106
Accretion on Capital Appreciation Bonds	(1,755,674)
Loans Incurred	(10,928,615)
Contracts Executed	(900,000)
Principal Repayments:	
Revenue Bonds	855,000
Tax Allocation Bonds	10,917,320
Loans Payable	1,044,576
Notes Payable	630,096
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	\$ (109,845,423)

Another element of the reconciliation states that “Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not accrued as expenses in governmental funds.” The details of this \$(8,574,118) difference are as follows:

Change in Accrued Interest on Long-Term Debt	\$ (235,171)
Change in Accrued Interest on City Loans	(7,928,284)
Amortization of Bond Issuance Costs	(405,328)
Amortization of Bond Premiums, Discounts and Deferred Charges on Refunding	(5,335)
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	\$ (8,574,118)

### 3. CASH AND INVESTMENTS

The following is a summary of the carrying amount of the Agency’s cash and investments:

	Governmental Activities
	<hr/>
Cash or Equity in Pooled Cash & Investments	\$ 282,852,517
Cash & Investments with Fiscal Agent	57,356,297
Investments at Fair Value	145,543,843
	<hr/>
Total	\$ 485,752,657

a. Cash or Equity in Pooled Cash and Investments

The Agency participates in the City's pooled Cash and Investments. Cash or Equity in Pooled Cash & Investments represents petty cash, cash at the bank in demand deposit and/or savings accounts, and cash in escrow for contract retention payables. Furthermore, it represents equity in pooled cash and investments. The Agency does not own identifiable investment securities of the Pool; rather, it participates as a shareholder of the Pool. It does however, own identifiable investments which are not part of the Pool and are managed by the City Treasurer. The Agency's share of the City's pooled cash and investments is included in the accompanying Statement of Net Assets under the caption "Cash or Equity in Pooled Cash and Investments."

b. Cash and Investments with Fiscal Agent

Cash and Investments with Fiscal Agents represents cash and investments held by fiscal agents resulting from bond issuances. More specifically, these funds represent reserves held by fiscal agents or trustees as legally required by bond issuances and liquid investments held by fiscal agents or trustees which are used to pay debt service.

c. Investments at Fair Value

Investments at Fair Value represent investments managed by the City Treasurer (which are not part of the Pool).

d. Investment Policy

**City of San Diego Investment Policy**

In accordance with the Charter of the City of San Diego and under authority annually approved by the City Council, the City Treasurer is responsible for the safekeeping and investment of the unexpended cash in the City Treasury according to the City's Investment Policy (the "Policy"). This Policy applies to all of the investment activities of the City except for the pension trust funds, the proceeds of certain debt issues which are managed and invested at the direction of the City Treasurer or by Trustees appointed under indenture agreements or by fiscal agents. In addition, the policy does not apply to assets administered by the Funds Commission, which was created under the Charter to control and supervise all trust, perpetuity and investment funds placed in its custody by Council ordinance.

The Policy is reviewed annually by the Investment Advisory Committee (IAC) which makes recommendations regarding the Policy to the City Council. The IAC consists of two City representatives and three outside financial professionals with market and portfolio expertise not working for the City of San Diego. The City Council reviews the Policy and considers approval on an annual basis.

In reviewing the Policy, the IAC evaluates the horizon returns, risk parameters, security selection, and market assumptions the City's investment staff is using when explaining the City's investment returns. The IAC also meets semi-annually to review the previous two quarters' investment returns and make recommendations to the City Treasurer on proposals presented to the IAC by the Treasurer's staff.

The policy is governed by the California Government Code (CGC), Sections 53600 et seq. The following table presents the authorized investments, requirements, and restrictions per the CGC and the City Policy:



Investment Type	Maximum Maturity (1)		Maximum % of Portfolio		Maximum % with One Issuer		Minimum Rating	
	CGC	City Policy	CGC	City Policy	CGC	City Policy	CGC	City Policy
US Treasury Obligations (bills, bonds, or notes)	5 years	5 years	None	None	None	None	None	None
US Agencies	5 years	5 years	None	(2)	None	(2)	None	None
Bankers' Acceptances (6)	180 days	180 days	40%	40%	30%	10%	None	(3)
Commercial Paper (6)	270 days	270 days	25%	25%	10%	10%	P1	P1
Negotiable Certificates (6)	5 years	5 years	30%	30%	None	10%	None	(3)
Repurchase Agreements	1 year	1 year	None	None	None	None	None	None
Reverse Repurchase Agreements (4)	92 days	92 days	20%	20%	None	None	None	None
Local Agency Investment Fund	N/A	N/A	None	None	None	None	None	None
Non-Negotiable Time Deposits (6)	5 years	5 years	None	25%	None	10%	None	(3)
Medium Term Notes/Bonds (6)	5 years	5 years	30%	30%	None	10%	A	A
Mutual Funds	N/A	N/A	20%	5%	10%	None	AAA	AAA
Notes, Bonds, or Other Obligations	5 years	5 years	None	None	None	None	None	AA
Mortgage Pass-Through Securities	5 years	5 years	20%	None	None	20%	AA	AAA
Financial Futures (5)	N/A	None	None	None	None	None	None	None

Footnotes:

- (1) In the absence of a specified maximum, the maximum is 5 years.
- (2) The Prudent Investor Rule applies.
- (3) Credit and maturity criteria must be in accordance per Section X of the City's Investment Policy.
- (4) Maximum % of portfolio for Reverse Repurchase Agreements is 20% of base value.
- (5) Financial futures transactions would be purchased only to hedge against changes in market conditions for the reinvestment of bond proceeds.
- (6) Investment types with a 10% maximum with one issuer are further restricted per the City's Investment Policy: 5% per issuer and an additional 5% with authorization by City Treasurer.

According to the Policy, the City may enter into repurchase and reverse repurchase agreements only with primary dealers of the Federal Reserve Bank of New York with which the City has entered into a master repurchase agreement. Exceptions to this rule can be made only upon written authorization of the City Treasurer.

The types of investments listed below are additionally restricted as to percentage of the cost value of the portfolio in any one issuer name up to a maximum of 5%. The total cost value invested in any one issuer name will not exceed 5% of an issuer's net worth. An additional 5% or a total of 10%, of the cost value of the portfolio in any one issuer name can be authorized upon written approval of the City Treasurer.

- Bankers Acceptances
- Commercial Paper
- Medium Term Corporate Notes/Bonds
- Negotiable and Non-negotiable Certificates of Deposit

Ineligible investments include, but are not limited to, common stocks and long-term corporate notes/bonds, are prohibited from use in the portfolio. A copy of the Policy can be requested from the City Treasurer, 1200 3rd Avenue, Suite 1624, San Diego, California, 92101.

**Other Investment Policies**

The City and its component units, including the Agency, have funds invested in accordance with various bond indenture and trustee agreements.

e. Interest Rate Risk

Interest rate risk is the risk that increases in interest rates will adversely affect the fair value of an investment. No general policies have been established to manage interest rate risk; however, monies held by the trustee on behalf of the Agency may generally only be invested in permitted investments specified in trustee or indenture agreements. Information about the sensitivity of the fair value of the Agency's investments to market interest rate fluctuations is provided by the following table.

As of June 30, 2006, the Agency's investments by maturity are as follows:

	Years				Fair Value
	Under 1	1-3	3-5	Over 5	
<u>Cash or Equity in</u>					
City Pooled Cash & Investments	\$ 282,852,517	\$ -	\$ -	\$ -	\$ 282,852,517
<u>Non-Pooled Investments with</u>					
<u>City Treasurer:</u>					
US Treasury Bills	6,008,803	-	-	-	6,008,803
US Treasury Notes & Bonds	3,108,450	9,864,938	-	-	12,973,388
Commercial Paper	1,642,546	-	-	-	1,642,546
US Agency Discount Notes	110,433,018	14,486,088	-	-	124,919,106
Subtotal - Non-Pooled Investments	<u>121,192,817</u>	<u>24,351,026</u>	<u>-</u>	<u>-</u>	<u>145,543,843</u>
<u>Investments with Fiscal Agent:</u>					
US Treasury Bills	18,041,630	-	-	-	18,041,630
US Treasury Notes & Bonds	19,082,890	-	-	-	19,082,890
US Agency Notes & Bonds	3,063,372	1,424,205	-	-	4,487,577
Money Market Funds	15,734,048	-	-	-	15,734,048
Subtotal - Investments with Fiscal Agent	<u>55,921,940</u>	<u>1,424,205</u>	<u>-</u>	<u>-</u>	<u>57,346,145</u>
Total Investments or Cash in City Pooled Cash	<u>\$ 459,967,274</u>	<u>\$ 25,775,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>485,742,505</u>
Cash with Fiscal Agent					10,152
Total Cash and Investments					<u>\$ 485,752,657</u>

f. 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. At June 30, 2006, the Agency's investments and corresponding credit ratings are as follows:

	Moody's Rating	Fair Value	Percentage
<u>Cash or Equity in</u>			
City Pooled Cash & Investments	Not Rated	\$ 282,852,517	100.00%
<u>Non-Pooled Investments with</u>			
<u>City Treasurer:</u>			
US Treasury Bills	Exempt	6,008,803	4.13%
US Treasury Notes & Bonds	Exempt	12,973,388	8.91%
Commercial Paper	P1	1,642,546	1.13%
US Agencies - Federal Farm Credit Bank	P1	1,325,925	0.91%
US Agencies - Federal Home Loan Bank*	Aaa	8,579,734	5.89%
US Agencies - Federal Home Loan Bank*	Not Rated	3,662,416	2.52%
US Agencies - Federal Home Loan Mortgage Corporation*	Aaa	5,906,354	4.06%
US Agencies - Federal Home Loan Mortgage Corporation*	Not Rated	69,635,707	47.85%
US Agencies - Federal Home Loan Mortgage Corporation*	P1	4,005,464	2.75%
US Agencies - Federal National Mortgage Association*	Not Rated	31,803,506	21.85%
Subtotal - Non-Pooled Investments		<u>145,543,843</u>	<u>100.00%</u>
<u>Investments with Fiscal Agent</u>			
<u>and Other Investments:</u>			
US Treasury Bills	Exempt	18,041,630	31.46%
US Treasury Notes & Bonds	Exempt	19,082,890	33.28%
US Agencies - Federal Home Loan Bank	Aaa	1,424,205	2.48%
US Agencies - Federal Home Loan Mortgage Corporation	A-1+	1,607,081	2.80%
US Agencies - Federal National Mortgage Association	A-1+	1,456,291	2.54%
Money Market Funds	Aaa	15,734,048	27.44%
Subtotal - Other Investments		<u>57,346,145</u>	<u>100.00%</u>
Total Investments		<u>485,742,505</u>	
Cash with Fiscal Agent	Not Rated	<u>10,152</u>	
Total Cash and Investments		<u>\$ 485,752,657</u>	

\*More than 5% of the Agency's investments are with U.S Agencies whose debt is not guaranteed by the U.S. government.

g. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the relative size of an investment in a single issuer. As of June 30, 2006, more than 5% of the Agency's investments are with U.S. agencies whose debt is not guaranteed by the U.S. government. Investments issued explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded.

h. Custodial Credit Risk**Deposits**

At June 30, 2006, the bank balance of the Agency's deposits, which equals the carrying amount, was \$10,152, all of which was cash held with fiscal agents and was covered by federal depository insurance. Pursuant to the California Government Code, California banks and savings and loan associations are required to secure the Agency's deposits not covered by Federal Depository Insurance by pledging government securities as collateral. None of the deposits with fiscal agents were uninsured and uncollateralized.

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2006, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Non-Depreciable Capital Assets:				
Land	\$ 89,862,126	\$ 4,994,898	\$ (8,171,563)	\$ 86,685,461
Construction in Progress	6,334,308	3,912,425	(3,161,506)	7,085,227
Total Non-Depreciable Capital Assets	<u>96,196,434</u>	<u>8,907,323</u>	<u>(11,333,069)</u>	<u>93,770,688</u>
Depreciable Capital Assets:				
Structures and Improvements	30,413,074	10,285,106	-	40,698,180
Equipment	818,706	-	-	818,706
Total Depreciable Capital Assets	<u>31,231,780</u>	<u>10,285,106</u>	<u>-</u>	<u>41,516,886</u>
Less Accumulated Depreciation for:				
Structures and Improvements	(830,167)	(760,537)	-	(1,590,704)
Equipment	(626,392)	(32,126)	-	(658,518)
Total Accumulated Depreciation	<u>(1,456,559)</u>	<u>(792,663)</u>	<u>-</u>	<u>(2,249,222)</u>
Total Depreciable Capital Assets, Net	<u>29,775,221</u>	<u>9,492,443</u>	<u>-</u>	<u>39,267,664</u>
Governmental Activities Capital Assets, Net	<u>\$ 125,971,655</u>	<u>\$ 18,399,766</u>	<u>\$ (11,333,069)</u>	<u>\$ 133,038,352</u>

Depreciation expense was charged to the Neighborhood Services governmental activities function in the amount of \$ 792,663.

## 5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT

### a. Long-Term Liabilities

Governmental activities long-term debt consists of revenue bonds, tax allocation bonds, contracts payable, notes payable, and loans payable. A summary of these obligations as recorded in the government-wide Statement of Net Assets as of June 30, 2006, is as follows:

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2006
<u>Revenue Bonds:</u>				
Centre City Parking Revenue Bonds, Series 1999 A	4.5-6.4% <sup>1</sup>	2026	\$ 12,105,000	\$ 10,810,000
Centre City Parking Revenue Bonds, Series 2003 B	3.0-5.3 <sup>1</sup>	2027	20,515,000	19,390,000
Total Revenue Bonds				<u>\$ 30,200,000</u>
<u>Tax Allocation Bonds:</u>				
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995	7.8-9.75 <sup>1</sup>	2014	1,400,000	815,000
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 A	4.4-6.0 <sup>1</sup>	2020	1,200,000	880,000
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 B	6.9-8.2 <sup>1</sup>	2021	3,955,000	3,200,000
Southcrest Redevelopment Project Tax Allocation Bonds, Series 1995	4.75-6.592 <sup>1</sup>	2020	3,750,000	2,455,000
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 A	3.8-6.0 <sup>1</sup>	2016	12,970,000	8,395,000
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 B	4.3-7.0 <sup>1</sup>	2007	9,830,000	410,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 A	3.0-5.125 <sup>1</sup>	2019	25,680,000	25,320,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 B	6.25 <sup>1</sup>	2014	11,360,000	11,360,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 C	3.1-4.75 <sup>1</sup>	2025	13,610,000	12,405,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 A	4.5-5.8 <sup>1</sup>	2029	5,690,000	5,455,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 B	5.75-6.4 <sup>2</sup>	2029	10,140,523	9,825,378
Central Imperial Redevelopment Project Tax Allocation Bonds, Series 2000	4.45-6.69 <sup>1</sup>	2031	3,395,000	3,160,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 A	4.0-5.6 <sup>1</sup>	2025	6,100,000	5,345,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 B	3.95-5.35 <sup>1</sup>	2025	21,390,000	19,670,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875 <sup>1</sup>	2022	15,025,000	14,425,000
North Bay Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875 <sup>1</sup>	2031	13,000,000	11,920,000
North Park Redevelopment Project Tax Allocation Bonds, Series 2000	4.1-5.9 <sup>1</sup>	2031	7,000,000	6,425,000

**5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)**

Southcrest Redevelopment Project Tax Allocation Bonds, Series 2000	4.45-6.5 <sup>1</sup>	2026	1,860,000	1,670,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2001 A	4.93-5.55 <sup>3</sup>	2027	58,425,100	57,175,100
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 2002 A	5.0 <sup>1</sup>	2027	3,055,000	3,055,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2003 A	2.5-5.0 <sup>1</sup>	2029	31,000,000	21,755,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 A	5.875-6.5 <sup>1</sup>	2034	4,955,000	4,955,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 B	2.5-4.25 <sup>1</sup>	2014	865,000	625,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 A	4.65-5.1 <sup>1</sup>	2022	6,325,000	6,325,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 B	3.25-5.45 <sup>1</sup>	2022	4,530,000	4,530,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 C	3.49-7.74 <sup>1</sup>	2022	8,000,000	7,460,000
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 A	1.5-6.125 <sup>1</sup>	2028	7,145,000	6,610,000
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 B	4.75-5 <sup>1</sup>	2034	5,360,000	5,360,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 A	3.5-5.25 <sup>1</sup>	2030	101,180,000	99,670,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 B	2.26-4.58 <sup>1</sup>	2011	9,855,000	8,245,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 C	2.26-6.18 <sup>1</sup>	2030	27,785,000	27,230,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 D	2.26-6.28 <sup>1</sup>	2030	8,905,000	8,730,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 A	4.25-5.25 <sup>1</sup>	2033	76,225,000	76,225,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 B	5.66-6.2 <sup>1</sup>	2032	33,760,000	33,760,000
Total Tax Allocation Bonds				<u>514,845,478</u>
Total Bonds Payable				<u>545,045,478</u>
<u>Contracts Payable:</u>				
Contract Payable to SDSU Foundation dated December 1991	Variable <sup>4</sup>	-	1,597,744	1,597,744
Amendment to Contract Payable to SDSU Foundation dated January 1995	Variable <sup>4</sup>	-	117,123	117,123
Contract Payable to Western Pacific Housing, Inc dated April 2004	5.00	-	900,000	900,000
Total Contracts Payable				<u>2,614,867</u>
<u>Notes Payable:</u>				
Note Payable to Wal-Mart, dated June 1998	10.0	2017	1,308,000	511,743
Note Payable to San Diego Revitalization, dated April 2001	5.0	2032	5,115,000	4,681,801
Note Payable to San Diego Revitalization, dated May 2005	8.0	2025	2,100,000	2,100,000
Note Payable to the City of San Diego dated various dates (Principal)	8.0	-	8,300,000	8,300,000
Total Notes Payable				<u>15,593,544</u>

**5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)**Loans Payable:

International Gateway Associates, LLC dated October 2001	10.0	2032	1,876,000	1,838,250
Loan Payable to North Park LLC, dated December 2004	Variable <sup>5</sup>	-	3,335,000	3,335,000
Loan Payable to PCCP/Las America, LLC, dated August 2005	10.0	2036	1,246,758	1,246,758
Loan Payable to Bud Fischer, dated March 2006	6.0	2007	2,678,803	2,678,803
Loan Payable to Centerpoint, LLC, dated April 2006	7.0	2021	5,245,000	5,245,000
Loans Payable to the City of San Diego, dated various dates (Principal)	Variable <sup>6</sup>	-	115,745,022	<u>115,745,022</u>
Total Loans Payable				<u>130,088,833</u>
<u>Accrued Interest Payable:</u>				
Accrued Interest Payable on City Note <sup>7</sup>		-	-	3,142,619
Accrued Interest Payable on City Loans <sup>7</sup>		-	-	<u>120,922,405</u>
Total Accrued Interest Payable				<u>124,065,024</u>
Total Governmental Activities				<u>\$ 817,407,746</u>

<sup>1</sup> Interest rates are fixed, and reflect the range of rates for various maturities from date of issuance to maturity.

<sup>2</sup> The City Heights Tax Allocation Bonds, Series 1999 B, are capital appreciation bonds, which mature from fiscal year 2011 through 2029. The balance outstanding at June 30, 2006 does not include accreted interest of \$5,342,291.

<sup>3</sup> The Centre City Tax Allocation Bonds, Series 2001 A, partially include capital appreciation bonds, which mature from fiscal year 2015 through 2027. The balance outstanding at June 30, 2006 does not include accreted interest of \$3,876,351.

<sup>4</sup> San Diego State University Foundation executed an Agreement for Processing a Redevelopment Plan and Land Use Entitlements with the Redevelopment Agency of the City of San Diego which allows for reimbursement of expenses incurred by the Foundation, in assisting in the preparation and processing of the Redevelopment Plan and Land Use Entitlements in the College Area. The agreement is a variable rate obligation of the Agency. The unpaid principal bears interest at the prime rate and is fixed on a quarterly basis, using the prime rate established on the first banking day of each calendar quarter. Interest calculations are made on the quarterly weighted average of the principal balance and are made at the end of the quarter based upon the rate fixed for that quarter. The interest rate is not to exceed 12 percent per annum on funds advanced to the Agency. The effective interest rate as of June 30, 2006 is 7.75 percent.

<sup>5</sup> The Redevelopment Agency of The City of San Diego and North Park Theatre, LLC entered into a Disposition and Development Agreement dated April 23, 2002, a Second Implementation Agreement dated, April 28, 2004 and a Third Implementation Agreement dated December 9, 2004, which were executed for the purposes of effectuating the Redevelopment Plan for the North Park Redevelopment Project by providing for the disposition of certain real property and a loan to the Agency from the Developer to fund the Agency's subsidy of the rehabilitation of the North Park Theatre building by the Developer. The Third Implementation Agreement converted the loan from a fixed rate to a variable rate obligation of the Agency. The interest on the loan is based on the Prime Rate plus 2 percent for the first two years, then will increase by a 1/2 percent per year for the remainder of the term of the loan. The interest rate shall not exceed the lesser of the Prime Rate plus four percent or the maximum interest rate allowed by law. The interest rate shall be reset annually, on August 1st, based on the Prime Rate on the reset date. The effective interest rate as of June 30, 2006 is 8.25 percent.

<sup>6</sup> The City of San Diego has loaned funds to the Redevelopment Agency to carry out and implement redevelopment activities which will generate future tax increment revenues. The basis for computation of interest on these loans is based on the Prime Rate as printed in the Wall Street Journal on the first Monday following January 1 of the calendar year in which the fiscal year begins plus 2 percent on the outstanding principal loan balance only. The Prime Rate as of January 1, 2005 is 5.25 percent.

<sup>7</sup> Interest on City Loans and Notes is not compounded.

**b. Amortization Requirements**

The debt service for revenue bonds and tax allocation bonds is paid from tax increment revenues received by the Agency. Revenue bonds are secured by a pledge of revenues generated by certain public parking facilities operated by the City pursuant to a Parking Structure Operating Agreement between the City and the Agency.

The annual requirements to amortize the Agency's long-term debt outstanding as of June 30, 2006, including interest payments to maturity, are as follows:

Year Ending June 30,	Revenue Bonds		Tax Allocation Bonds		
	Principal	Interest	Principal	Unaccreted Appreciation	Interest
2007	\$ 890,000	\$ 1,577,212	\$ 12,040,601	\$ 1,909,945	\$ 23,442,035
2008	920,000	1,542,684	13,371,256	1,996,099	24,745,864
2009	960,000	1,504,981	14,476,154	2,080,696	24,207,679
2010	995,000	1,463,452	15,088,678	2,162,985	23,554,538
2011	1,040,000	1,418,153	15,853,323	2,242,792	22,807,535
2012 - 2016	5,990,000	6,262,526	101,266,181	12,058,648	99,779,323
2017 - 2021	7,760,000	4,433,705	124,037,792	11,280,219	71,011,025
2022 - 2026	10,205,000	1,898,311	119,894,158	6,393,872	40,397,061
2027 - 2031	1,440,000	37,800	77,322,335	446,917	13,848,615
2032 - 2036	-	-	21,495,000	-	1,166,139
Unscheduled*	-	-	-	-	-
<b>Total</b>	<b>\$ 30,200,000</b>	<b>\$ 20,138,824</b>	<b>\$ 514,845,478</b>	<b>\$ 40,572,173</b>	<b>\$ 344,959,814</b>

Add:

Accreted appreciation  
through June 30, 2006

9,218,642

<b>Total</b>	<b>\$ 30,200,000</b>	<b>\$ 20,138,824</b>	<b>\$ 524,064,120</b>	<b>\$ 40,572,173</b>	<b>\$ 344,959,814</b>
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Year Ending June 30,	Contracts Payable		Notes Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ -	\$ -	\$ -	\$ -	\$ 2,701,562	\$ 384,533
2008	-	-	-	-	25,035	306,225
2009	-	-	-	-	27,538	303,721
2010	-	-	-	-	30,292	300,968
2011	-	-	-	-	33,321	297,938
2012 - 2016	-	-	-	-	223,774	1,432,526
2017 - 2021	-	-	-	-	360,390	1,295,910
2022 - 2026	-	-	-	-	580,411	1,075,888
2027 - 2031	-	-	-	-	934,758	721,542
2032 - 2036	-	-	-	-	846,731	212,554
Unscheduled*	2,614,867	1,705,983	15,593,544	7,283,603	124,325,022	120,967,264
<b>Total</b>	<b>\$ 2,614,867</b>	<b>\$ 1,705,983</b>	<b>\$ 15,593,544</b>	<b>\$ 7,283,603</b>	<b>\$ 130,088,833</b>	<b>\$ 127,299,069</b>

\*The contract payable to San Diego State University Foundation in the amount of \$1,714,867, contract payable to Western Pacific Housing, Inc. in the amount of \$900,000, notes payable to the San Diego Revitalization Corporation in the amount of \$6,781,801, notes payable to Wal-Mart in the amount of \$511,743, note payable to the City in the amount of \$8,300,000, loan payable to North Park LLC in the amount of \$3,335,000, loan payable to Centerpoint, LLC in the amount of \$5,245,000, loans payable to the City in the amount of \$115,745,022 and accrued interest associated with Contracts, Loans and Notes of \$129,956,850 do not have annual repayment schedules. Annual payments to the San Diego Revitalization and Wal-Mart debt are based on available tax increment.

c. Changes In Long-Term Liabilities

The following is a summary of changes in governmental activities long-term liabilities for the year ended June 30, 2006:

	Balance, July 1, 2005	Additions	Reductions	Balance, June 30, 2006	Due Within One Year
Revenue Bonds	\$ 31,055,000	\$ -	\$ (855,000)	\$ 30,200,000	\$ 890,000
Less deferred amounts:					
For Issuance Premium/Discounts	(108,798)	-	5,181	(103,617)	-
Unamortized Bond Premiums,					
Net Revenue Bonds	30,946,202	-	(849,819)	30,096,383	890,000
Tax Allocation Bonds	415,777,798	109,985,000	(10,917,320)	514,845,478	12,040,601
Accretion	7,462,968	1,821,777	(66,103)	9,218,642	-
Net with Accretion	423,240,766	111,806,777	(10,983,423)	524,064,120	12,040,601
Less/Plus deferred amounts:					
For Issuance Premiums/Discounts	4,704,394	2,412,232	(294,880)	6,821,746	-
On Refunding	(1,489,408)	-	295,034	(1,194,374)	-
Net Tax Allocation Bonds	426,455,752	114,219,009	(10,983,269)	529,691,492	12,040,601
Contracts Payable	1,714,867	900,000	-	2,614,867	-
Notes Payable	16,223,640	-	(630,096)	15,593,544	-
Loans Payable	120,204,794	10,928,615	(1,044,576)	130,088,833	2,701,562
Interest Accrued on City Note and Loans	116,136,740	8,813,660	(885,376)	124,065,024	-
Total	\$ 711,681,995	\$ 134,861,284	\$ (14,393,136)	\$ 832,150,143	\$ 15,632,163

In the current fiscal year, the Agency received loan proceeds totaling \$10,928,615, of which \$9,170,561 were developer loans and \$1,758,054 were loans from the City (see Note 9). In addition, the Agency executed a contract with a developer which increased contracts payable by \$900,000.

In the current fiscal year, the Agency issued Tax Allocation Bonds in the amount of \$109,985,000 for the Centre City Project Area. Proceeds of the bonds will be used to finance redevelopment activities and increase affordable housing opportunities.

d. Defeasance of Debt

As of June 30, 2006, principal amounts payable from escrow (irrevocable trust) funds established for defeased bonds are as follows:

Defeased Bonds	Amount Outstanding as of June 30, 2006
Horton Plaza Redevelopment Project Tax Allocation Bonds, series 1996 B	\$ 6,640,000



## 6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances are the result of loans between funds that are expected to be repaid during the next fiscal year. Interfund receivable/payable balances at June 30, 2006 are as follows:

Contributing Fund (Receivable)	Benefiting Fund (Payable)			
	Special Revenue	Capital Projects Centre City	Other Governmental Funds	Total Governmental Funds
	Other Centre City			
Centre City Special Revenue Low-Mod	\$ 535,343	\$ -	\$ -	\$ 535,343
Centre City Debt Service	-	731,031	-	731,031
Other Governmental Funds	-	-	547,124	547,124
<b>Total Governmental Funds</b>	<b>\$ 535,343</b>	<b>\$ 731,031</b>	<b>\$ 547,124</b>	<b>\$ 1,813,498</b>

Interfund transfers result from the transfer of assets without the expectation of repayment. In the case of Redevelopment, transfers are most commonly used to move revenues from the fund in which they are collected to the fund in which they are expended. Interfund transfer balances at June 30, 2006 are as follows:

Contributing Fund (Transfer Out)	Benefiting Fund (Transfer In)			
	Centre City Debt Service	Centre City Capital Projects	Other Governmental Funds	Total Governmental Funds
	Centre City Special Revenue Low-Mod	\$ 2,666,449	\$ -	\$ -
Centre City Special Revenue Other	22,563,608	27,637,448	-	50,201,056
Centre City Debt Service	-	1,762,176	-	1,762,176
Centre City Capital Projects	731,031	-	-	731,031
Other Governmental Funds	-	-	34,770,073	34,770,073
<b>Total Governmental Funds</b>	<b>\$ 25,961,088</b>	<b>\$ 29,399,624</b>	<b>\$ 34,770,073</b>	<b>\$ 90,130,785</b>

## 7. NET ASSETS DEFICIT

The Agency has a net assets deficit of \$(136,051,495) at June 30, 2006, which includes a deficit in unrestricted net assets of \$(269,483,844). One of the major factors contributing to the Agency's deficit is the use of long term debt to acquire properties that have been sold to developers or conveyed to the City at a loss. In addition, long term debt has been used to fund redevelopment activities costs that are not capitalized. A majority of the borrowed funds are used for activities such as public improvements, public parking, community development activities, commercial and retail projects, housing, and rehabilitation of properties not owned by the Agency. In addition to the public purpose of these activities, they are designed to generate additional tax increment revenues, a portion of which is used by the Agency to repay outstanding debt and finance additional projects.

## 8. FUND DEFICIT

The following table identifies funds with a net deficit as of June 30, 2006:

Fund	Net Deficit
Barrio Logan Capital Projects	\$ (336,819)
College Community Capital Projects	(371,689)
College Grove Capital Projects	(74,593)
Grantville Capital Projects	(7,816)

All of the deficits can be attributed to timing of inflows of financial resources. Most expenditures in Capital Projects Funds are reimbursed from Special Revenue Funds through transfers at the time cash is disbursed. In the case of these funds, expenditures related to City services have been accrued in the Capital Projects Funds and will be reimbursed at the time of payment the following year.

## 9. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2006, the Agency received loans from the City totaling \$1,758,054 to fund redevelopment activity in the following project areas:

Project Area	Amount
Central Imperial	\$ 750,226
Centre City	1,452
Crossroads	1,086
Grantville	59,635
Naval Training Center	944,089
North Park	1,566
Total	\$ 1,758,054

In addition, during the year ended June 30, 2006, the Agency received contributions from the City totaling \$2,749,183. Most of the contributions received were from operating revenue generated by two parking structures operated by the City for payment of debt service related to parking revenue bonds used for the construction of these parking structures in the Centre City Project Area.

During the year ended June 30, 2006, the Agency's participation in various City Capital Improvement Projects totaled \$225,654. This participation included work in the Centre City Project Area.

The redevelopment project areas are overseen by the Agency's three administrative units: Centre City Development Corporation ("CCDC"), Southeastern Economic Development Corporation, ("SEDC") and the Redevelopment Division of the City's City Planning and Community Investment Department. These activities are carried out pursuant to operating agreements with both the City and the Agency under which the City and the Agency agree to reimburse CCDC, SEDC and the Redevelopment Division for all eligible costs incurred in connection with such activities.

Pursuant to these operating agreements, the Agency provides a working capital advance to CCDC and SEDC to be deposited in an account with a commercial bank designated by each corporation as its depository. The corporations then draw funds to pay for eligible expenses incurred in connection with services rendered. At the end of each calendar month, the corporations submit to the Agency a voucher for the total of eligible expenses paid out of the account during the previous calendar month. Upon approval by the City, the corporations are reimbursed for these expenses. Similarly, costs for services incurred under the operating agreement with the Redevelopment Division of the City are initially recorded in the Redevelopment Division Administrative Fund and reimbursed by the Agency on a periodic basis upon receipt of a statement of expenses.

The following table reflects the reimbursements made during the current fiscal year:

	<u>Amount</u>
Centre City Development Corporation	\$ 6,640,199
Southeastern Economic Development Corporation	1,899,996
City Redevelopment Division	<u>2,219,845</u>
Total	<u>\$ 10,760,040</u>

## 10. CONTINGENCIES

### FEDERAL AND STATE GRANTS

The City recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Although the City's Federal grant programs are audited in accordance with the requirements of the Federal Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget Circular A-133, these programs may be subject to financial and compliance audits by the reimbursing agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Single Audits for fiscal years ended June 30, 2004, 2005 and 2006 were completed by Macias Gini & O'Connell LLP and have been received and filed by the City Council.

Additionally, the local unit of the U.S. Department of Housing and Urban Development (HUD) has recently conducted an audit survey of the City's Community Development Block Grant (CDBG) program. The overall objective of the audit survey was to determine whether management complied with applicable laws, regulations, and requirements of HUD's CDBG program. After review of the program, HUD determined that the City may not be in compliance with CFR 85.25. Specifically, HUD is concerned with CDBG loans to the Agency, "Re-Loans", and other program eligibility issues.

The Office of the Inspector General (OIG) subsequently began an audit which focused on CDBG loans with the Agency. As part of the audit process HUD has recommended that the City and its Redevelopment Agency ensure timely payments of both principal and interest on CDBG loans made from the City to the Redevelopment Agency. The total amount of the loans identified by HUD was \$139,201,997. These loans are reported as a component of loans payable and accrued interest payable to the City in the long-term liabilities footnote of the Redevelopment Agency Financial Statements with an "unscheduled" maturity date. OIG has indicated a need to establish a repayment schedule; however, did not stipulate a proposed time period for repayment. Depending on the outcome of negotiations with HUD, repayment of the loans by the Agency could impact the Agency's liquidity. These loans do not appear in the City's CAFR as they represent interfund activity between two governmental funds, and in accordance with GASB Statement No. 34, are eliminated to avoid the inappropriate "grossing up" effects that internal activity has on aggregated amounts.

It is currently uncertain what, if any, other action HUD will take concerning potential non-compliance regulations over the use of federal funds. HUD also plans to proceed with another audit focusing on other CDBG activity, and this is scheduled to begin in October 2008.

### CONTINUING DISCLOSURE OBLIGATIONS

The Agency, in connection with all bond offerings since the effective date (July 1995) of the continuing disclosure requirements of SEC Rule 15c2-12, has contractually obligated itself to provide annual financial information, including audited financial statements, within certain specified time periods (generally nine months) after the end of each fiscal year. The Agency has not been able to satisfy its contractual obligations to provide to the national repositories audited financial statements, or financial information and operating data derived from the financial statements, for fiscal years 2003 through 2007 on a timely basis. For each respective bond issuance, the Agency, as required by its continuing disclosure contractual obligations, provided to the national repositories a notice of the failure to file the audited annual financial statements information.

## LITIGATION AND REGULATORY ACTIONS

The Agency is a defendant in lawsuits pertaining to material matters, including claims asserted which are incidental to performing routine governmental and other functions. This litigation includes but is not limited to: actions commenced and claims asserted against the Agency arising out of alleged torts; alleged breaches of contracts; alleged violations of law; and condemnation proceedings.

The estimate of the liability for unsettled claims has been reported in the Government-Wide Statement of Net Assets. The liability was estimated by categorizing the various claims and supplemented by information provided by the City Attorney, as well as outside counsel, with respect to certain large individual claims and proceedings. The recorded liability is the Agency's best estimate based on available information.

Significant individual lawsuits are described below.

### McColl v. Redevelopment Agency of the City of San Diego

This was an Eminent Domain action whereby the Agency acquired the fee simple property occupied by Jack in the Box and owned by Ms. McColl for the City Heights Redevelopment Project Area. Settlement for this lawsuit has been secured with the McColls. The Agency has taken possession of the property. However, it paid for the real property with a partial judgment on file with the court. Jack in the Box and the Agency continue to work cooperatively in finding a relocation site. The Agency is involved currently with providing possible relocation options to Jack in the Box. If the Agency is successful with the relocation efforts, then the Agency's expense will be less than \$500,000. If the relocation effort is unsuccessful, the Agency could face a claim of about \$5 million. According to outside counsel, the possible exposure of this case is approximately \$3 million. Liabilities for these cases were not accrued in the Agency's financial statements as outside counsel has indicated the likelihood that the plaintiff will prevail is only reasonably possible.

## 11. SUBSEQUENT EVENTS

On October 31, 2006, the Redevelopment Agency of the City of San Diego executed a non-revolving line of credit with Bank of America, N.A. for an aggregate amount of \$10,000,000 comprised of a tax-exempt commitment of \$7,534,337 and a taxable commitment of \$2,465,663. The line of credit is to be used to refinance the North Park Theatre, to pay sums of settlement of eminent domain actions relating to the North Park Redevelopment Area and for other redevelopment activities in the North Park Redevelopment Area. The interest rate on the tax-exempt advances will be at a rate per year equal to 62.347% of the LIBOR Rate plus .90% and the interest rate on the taxable advances will be at a rate per year equal to the LIBOR Rate plus 1.20%, unless the Agency elects to have any of the tax-exempt or taxable advances bear interest at a rate based on the Bank's Prime Rate. The maturity date will be November 1, 2008, unless the Agency issues bonds, notes or other obligations for the North Park Project Area prior to the maturity date.

On July 12, 2007, the Public Facilities Financing Authority issued \$17,230,000 Series 2007A taxable pooled financing bonds for Southcrest, Central Imperial and Mount Hope Redevelopment Projects and \$17,755,000 Series 2007B tax-exempt pooled financing Bonds for Southcrest and Central Imperial Redevelopment Projects. The Series A and Series B together were issued to make loans to the Redevelopment Agency of the City of San Diego to be used for financing and refinancing redevelopment activities in the Southcrest, Central Imperial and Mount Hope Redevelopment Project Areas. The issuance was through a public offering. The Series 2007 A and 2007 B Bonds are secured by a Loan Agreement and a Second Supplemental Trust Agreement (Central Imperial Redevelopment Project Area) and a Third Supplemental Trust Agreement (Southcrest Redevelopment Project Area) and a Fourth Supplemental Trust Agreement (Mount Hope Redevelopment Area) and are payable solely from the tax increment revenues derived from each project area. The interest rates range from 4.0% to 6.65%, and the final maturity date is October 1, 2037.

On July 26, 2007, the Redevelopment Agency of the City of San Diego executed six separate non-revolving secured three-year term taxable lines of credit with San Diego National Bank. Four lines of credit are for affordable housing in North Park, City Heights, North Bay and Naval Training Center (NTC) Redevelopment Project Areas for an aggregate of \$34,000,000. The two additional lines of credit are for non-housing or general purpose for the City Heights, which is a taxable line of credit of \$20,000,000 and NTC Redevelopment Project, which is taxable for \$6,000,000 and tax-exempt for \$10,000,000. The Agency may elect to have the taxable advance bear interest at a fixed rate to the United States Three-Year Treasury Constant Maturities Index plus 1.90%, which will remain fixed for the entire period of such advance or elect to have the interest set at a fixed rate to equal to the One-Month LIBOR Rate plus 1.10%. Tax-exempt advances will bear interest at a fixed rate determined by adding .70% to the product of the One-Month LIBOR Rate multiplied by 90%. Interest will be payable quarterly in arrears along with a .45% per annum loan fee on the unused commitment. Principal is due at maturity with no prepayment penalty.

On June 5, 2008, the Redevelopment Agency of the City of San Diego issued \$69,000 Housing Tax Allocation Bonds for the purpose of financing certain improvements relating to, or increasing the supply of, low and moderate income housing in the Centre City Redevelopment Project and such other areas as authorized by the Redevelopment Law. The Series 2008A Bonds are payable from, secured equally and are on parity with outstanding Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2004C, Series 2004D and 2006B Bonds, by a charge and lien on the pledged housing tax revenues derived by the Agency from the Redevelopment Project. The bond issuance is structured as serial and term bonds and has an interest rate that ranges from 3.74% to 6.30%, and the final maturity date is September 1, 2020.

California Government Code §1092 provides that contracts subject to conflict of interest codes may be avoided in certain limited circumstances if a violation has been found to have occurred. California Government Code §1092.5 further provides that where the purchaser or lessee of Real Property acted in good faith ending the completion of an internal investigation by CCDC and also a separate investigation being performed at the request of the City's Audit Committee; the scope, nature and extent of the projects affected by potential conflicts of interest and any potential associated economic loss to the counterparty is currently unknown. However, projects identified as potentially affected by conflicts of interest are significant enough in size and scope to warrant disclosure in the City's financial statements. To date, no legislative action by RDA has been taken to avoid any contracts, nor have any claims been asserted against the City related to this matter.

On July 23, 2008, the President of the Southeastern Economic Development Corporation (SEDC) was terminated by the Board of SEDC under allegations of misconduct. There currently is litigation over the appropriateness of the severance package awarded and also seeking to recover misappropriated assets. In September, an audit report was released publicly that documented suspected incidences of fraudulent activity related to, among other things, executive compensation.

On July 24, 2008, the President of the Centre City Development Corporation (CCDC) resigned. During the months preceding and also subsequent to the resignation, allegations of misconduct stemming from potential violations of City and State of California conflict of interest laws became public. CCDC has since suspended activity on the projects associated with the alleged conflict of interest violations. Depending on the extent to which the counterparty was aware of conflicts of interest, CCDC could potentially be subject to litigation arising from construction delays or project cancellations. The full nature and extent of the misconduct along with the extent of any possible liability to the City or CCDC is currently unknown.

On September 22, 2008 the State passed its fiscal year 2008-2009 budget. This budget included a one-year, one-time ERAF shift of \$350,000,000 from all California redevelopment agencies. ERAF is the Educational Revenue Anticipation Fund which is used by the County to accumulate property tax amounts shifted from local governments back to the State. These funds will not be repaid. The negative impact to the City of San Diego Redevelopment Agency is projected to be \$11,675,000.

Subsequent to the period covered in these financial statements, global financial markets have experienced significant declines. The effects of the market declines have been wide ranging and impact even the most diversified investment portfolios.

The Agency participates in the City's pooled Cash and Investments. The Agency does not own identifiable investment securities of the Pool; rather, it participates as a shareholder of the Pool. It does however, own identifiable investments which are not part of the Pool and are managed by the City Treasurer. The Agency's Equity in the City's Pooled Investment Portfolio is the primary source of funding for debt service payments, tax sharing payments and some redevelopment and affordable housing activities. The Non-Pooled investment portfolio is composed primarily of assets dedicated for affordable housing and redevelopment activities. The Pooled and Non-Pooled portfolio investments are composed of investments with duration of less than 5 years and they are heavily allocated toward US government fixed income securities and the securities of Government Sponsored Enterprises. A discussion of the interest, credit and custodial risk to the Agency's portfolios as of June 30, 2006 is contained in Note 3 of the Notes to the Financial Statements.

## Required Supplementary Information

**CENTRE CITY LOW AND MODERATE INCOME HOUSING  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
Year Ended June 30, 2006**

	<u>Prior Year Budget</u>	<u>Current Year Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>					
Tax Increments.....	\$ -	\$ 8,719,000	\$ 8,719,000	\$ 16,127,731	\$ 7,408,731
Bond Proceeds.....	-	-	-	33,760,000	33,760,000
Interest/Rent/Other.....	-	300,000	300,000	1,441,505	1,141,505
Developer Proceeds.....	-	-	-	1,300,229	1,300,229
City Participation.....	-	-	-	3,543	3,543
Other Revenue.....	-	8,781,000	8,742,177	10,000	(8,732,177)
Total Current Year Revenues	-	17,800,000	17,761,177	52,643,008	34,881,831
Prior Year Revenue.....	<u>\$ 45,743,052</u>	<u>-</u>	<u>45,743,052</u>		
TOTAL REVENUES.....	<u>45,743,052</u>	<u>17,800,000</u>	<u>63,504,229</u>	<u>52,643,008</u>	<u>34,881,831</u>
<b>EXPENDITURES</b>					
Low Mod Expenditures.....	<u>45,743,052</u>	<u>17,800,000</u>	<u>63,504,229</u>	<u>37,204,640</u>	<u>26,299,589</u>
TOTAL EXPENDITURES.....	<u>45,743,052</u>	<u>17,800,000</u>	<u>63,504,229</u>	<u>37,204,640</u>	<u>26,299,589</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,438,368</u>	<u>\$ 8,582,242</u>



## Notes to Required Supplementary Information

### Note A - Budgetary Data

Prior to June 1, the Executive Director submits to the Agency Board of Directors and the City Council, a proposed budget for the fiscal year commencing July 1. This budget includes annual budgets for many of the Debt Service funds, all Capital Projects funds, and the Low and Moderate Income Housing Special Revenue funds. A budget is not adopted for special revenue funds, other than the low and moderate income housing funds, since these funds are mostly used to collect tax increment revenue. For this reason, a budget to actual comparison is not required for the Centre City Other Special Revenue Major fund. A budget to actual comparison for the Centre City Low and Moderate Income Housing Fund is presented on page 62 of this report.

During the proposed budgetary hearing, public comment is heard. The Agency's budget is then legally adopted generally during the months of May or June, through passage resolutions by the Agency's Board of Directors.

Budgetary control is maintained at the total fund appropriation level. All amendments to the adopted budget require Agency Board of Directors' approval except as delegated in the Annual Appropriation Resolution. The head of each of the administrative units, or their designee are authorized under the Appropriation Resolution to request the City Comptroller to make budgetary transfers within each project fund and transfer appropriations or loan available funds between sub-projects within a project, provided that such transfers or loans do not increase or decrease the total project budget or result in a use of funds which would be inconsistent with the permitted use(s) of such funds.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause reported budget amounts to be significantly different than the originally adopted budget amounts.

### Note B - Explanation of Differences between Revenues, Expenditures, and Other Financing Sources (Uses) for Budgetary Funds on a Budgetary Basis and GAAP Major Special Revenue Funds on a GAAP Basis.

The Budgetary Comparison Schedule presented in this report reflects the total appropriations available for current fiscal year expenditures in the Centre City Low to Moderate Income Housing fund. The categories used to report revenues, expenditures and other financing sources and uses at the fund level financial statements on a GAAP basis conform to uniform accounting standards established by the California State Comptroller's Office for all redevelopment agencies in the State. The Budgetary Comparison Schedule reflects total expenditures for the fund and does not reflect the GAAP basis categories established by the State because budgetary control is not maintained at this level.

The following table provides an explanation of additional adjustments made to the GAAP basis expenditures to reflect a budgetary basis of accounting.

Financial Statements Major Funds	Centre City Low/Mod
Expenditures	
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules.....	\$ 37,204,640
Adjustments:	
Encumbrances are included in the budgetary basis of accounting.....	(29,451,288)
Losses related to net realizable value of property held for resale are not included in the budgetary basis of accounting	5,627,141
Transfers to other funds are classified as Expenditures in the budgetary basis of accounting.....	<u>(2,666,449)</u>
Total expenditures on a GAAP Basis of accounting	<u>\$ 10,714,044</u>

## Nonmajor Governmental Funds

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2006**

	Other Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue		Debt Service	Capital Projects	
	Low/Mod	Other			
<b>ASSETS</b>					
Cash or Equity in Pooled Cash and Investments.....	\$ 15,729,633	\$ 29,947,621	\$ 11,022	\$ 11,347,818	\$ 57,036,094
Cash and Investments with Fiscal Agent.....	-	-	13,835,654	-	13,835,654
Investments at Fair Value.....	-	-	-	13,404,872	13,404,872
Receivables:					
Taxes.....	-	1,442,902	-	-	1,442,902
Notes and Contracts.....	19,189,348	-	-	3,785,700	22,975,048
Interest.....	149,947	305,489	23,374	103,417	582,227
From Other Funds.....	288,580	-	133,883	124,661	547,124
Working Capital Advances:					
Centre City Development Corporation.....	-	-	-	275,000	275,000
Southeastern Economic Development Corporation.....	-	-	-	294,266	294,266
General Working Capital.....	-	-	-	624,089	624,089
Land Held for Resale.....	21,639	-	-	4,682,828	4,704,467
<b>TOTAL ASSETS.....</b>	<b>\$ 35,379,147</b>	<b>\$ 31,696,012</b>	<b>\$ 14,003,933</b>	<b>\$ 34,642,651</b>	<b>\$ 115,721,743</b>
<b>LIABILITIES</b>					
Accounts Payable.....	\$ 172,563	\$ 969,137	\$ 458	\$ 3,474,036	\$ 4,616,194
Due to Other Funds.....	199,652	288,580	-	58,892	547,124
Trust Liability.....	-	-	-	323,488	323,488
<b>TOTAL LIABILITIES.....</b>	<b>372,215</b>	<b>1,257,717</b>	<b>458</b>	<b>3,856,416</b>	<b>5,486,806</b>
<b>FUND BALANCES</b>					
Reserved for Land Held for Resale.....	21,639	-	-	4,682,828	4,704,467
Reserved for Notes Receivable.....	19,189,348	-	-	3,785,700	22,975,048
Reserved for Encumbrances.....	4,342,466	37,720	-	4,694,964	9,075,150
Reserved for Working Capital Advances.....	-	-	-	1,193,355	1,193,355
Reserved for Low and Moderate Income Housing.....	11,453,479	-	-	-	11,453,479
Reserved for Debt Service.....	-	-	13,855,485	-	13,855,485
Unreserved:					
Reported in Special Revenue Funds:					
Designated for Debt Service.....	-	23,840,025	-	-	23,840,025
Designated for Subsequent Years' Expenditures.....	-	6,003,437	-	-	6,003,437
Undesignated.....	-	557,113	-	-	557,113
Reported in Debt Service Funds:					
Designated for Subsequent Years' Expenditures.....	-	-	147,990	-	147,990
Reported in Capital Project Funds:					
Designated for Subsequent Years' Expenditures.....	-	-	-	15,768,527	15,768,527
Undesignated.....	-	-	-	660,861	660,861
<b>TOTAL FUND BALANCES.....</b>	<b>35,006,932</b>	<b>30,438,295</b>	<b>14,003,475</b>	<b>30,786,235</b>	<b>110,234,937</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 35,379,147</b>	<b>\$ 31,696,012</b>	<b>\$ 14,003,933</b>	<b>\$ 34,642,651</b>	<b>\$ 115,721,743</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2006**

	Other Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue		Debt Service	Capital Projects	
	Low/Mod	Other			
<b>REVENUES</b>					
Tax Increments.....	\$ 9,004,413	\$ 36,017,646	\$ -	\$ -	\$ 45,022,059
Interest.....	452,244	743,248	471,111	1,522,737	3,189,340
Rents.....	61,578	-	-	145,405	206,983
Private Sources.....	885,944	-	-	4,748,765	5,634,709
Other Revenue.....	93,960	-	-	190,975	284,935
<b>TOTAL REVENUES.....</b>	<b>10,498,139</b>	<b>36,760,894</b>	<b>471,111</b>	<b>6,607,882</b>	<b>54,338,026</b>
<b>EXPENDITURES</b>					
Administration.....	697,797	280,138	-	7,421,313	8,399,248
Legal.....	76,898	-	-	550,511	627,409
Plans and Surveys.....	254,265	-	-	997,502	1,251,767
Acquisition Expense.....	16,485	-	-	146,567	163,052
Real Estate/Fixture Purchases.....	-	-	-	2,706,165	2,706,165
Property Management.....	23,675	-	-	370,512	394,187
Relocation.....	5,646	-	-	2,190	7,836
Rehabilitation.....	250,000	-	-	2,407,109	2,657,109
Site Clearance.....	-	-	-	93,836	93,836
Project Improvements.....	5,358,592	-	-	17,182,278	22,540,870
Promotions and Marketing.....	-	-	-	1,572	1,572
Program Management.....	9,232	-	-	911,629	920,861
Rehabilitation Loans.....	1,116,887	-	-	-	1,116,887
Housing Subsidies.....	1,025,000	-	-	-	1,025,000
Tax Sharing Payments.....	-	6,616,316	-	14,127	6,630,443
ERAF Payments.....	-	1,674,034	-	500,000	2,174,034
Other.....	-	-	-	2,098,573	2,098,573
Debt Service:					
Principal.....	-	-	3,629,306	-	3,629,306
Interest.....	-	-	7,429,784	-	7,429,784
<b>TOTAL EXPENDITURES.....</b>	<b>8,834,477</b>	<b>8,570,488</b>	<b>11,059,090</b>	<b>35,403,884</b>	<b>63,867,939</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>1,663,662</b>	<b>28,190,406</b>	<b>(10,587,979)</b>	<b>(28,796,002)</b>	<b>(9,529,913)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from Tax Increments.....	-	-	7,118,931	12,114,888	19,233,819
Transfers from Other Funds.....	1,424,857	12,445	3,161,735	10,399,646	14,998,683
Transfers from Bond Proceeds.....	-	-	406,118	131,453	537,571
Transfers to Other Funds.....	(2,926,496)	(28,454,187)	(966,887)	(2,422,503)	(34,770,073)
Proceeds from Developer Loans and Notes.....	5,245,000	-	-	4,825,561	10,070,561
Loans from the City of San Diego.....	-	-	-	1,756,602	1,756,602
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>3,743,361</b>	<b>(28,441,742)</b>	<b>9,719,897</b>	<b>26,805,647</b>	<b>11,827,163</b>
<b>NET CHANGES IN FUND BALANCES.....</b>	<b>5,407,023</b>	<b>(251,336)</b>	<b>(868,082)</b>	<b>(1,990,355)</b>	<b>2,297,250</b>
<b>FUND BALANCES AT JULY 1, 2005.....</b>	<b>29,599,909</b>	<b>30,689,631</b>	<b>14,871,557</b>	<b>32,776,590</b>	<b>107,937,687</b>
<b>FUND BALANCES AT JUNE 30, 2006.....</b>	<b>\$ 35,006,932</b>	<b>\$ 30,438,295</b>	<b>\$ 14,003,475</b>	<b>\$ 30,786,235</b>	<b>\$ 110,234,937</b>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
June 30, 2006**

	Barrio Logan		Central Imperial
	Low-Mod	Other	Low-Mod
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 61,209	\$ 159,311	\$ 389,028
Receivables:			
Taxes.....	-	12,629	-
Notes and Contracts.....	-	-	-
Interest.....	341	1,745	3,919
From Other Funds.....	2,526	-	12,582
Land Held for Resale.....	-	-	-
	<u>\$ 64,076</u>	<u>\$ 173,685</u>	<u>\$ 405,529</u>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ -	\$ -	\$ 4,505
Due to Other Funds.....	-	2,526	-
	<u>-</u>	<u>2,526</u>	<u>4,505</u>
<b>FUND BALANCES</b>			
Reserved for Land Held for Resale.....	-	-	-
Reserved for Notes Receivable.....	-	-	-
Reserved for Encumbrances.....	6,683	-	46,613
Reserved for Low and Moderate Income Housing.....	57,393	-	354,411
Unreserved:			
Reported in Special Revenue Funds:			
Designated for Debt Service.....	-	32,017	-
Designated for Subsequent Years' Expenditures.....	-	111,163	-
Undesignated.....	-	27,979	-
	<u>64,076</u>	<u>171,159</u>	<u>401,024</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<u><b>\$ 64,076</b></u>	<u><b>\$ 173,685</b></u>	<u><b>\$ 405,529</b></u>

Central Imperial Other	City Heights		College Community		College Grove	
	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
\$ 460,645	\$ 1,505,736	\$ 5,502,849	\$ 471,319	\$ 172,398	\$ 350,323	\$ 620,596
62,909	-	409,155	-	15,714	-	12,345
-	4,340,117	-	-	-	-	-
9,337	14,811	65,508	4,116	2,581	3,037	5,691
-	81,831	-	3,143	-	2,469	-
-	-	-	-	-	-	-
<u>\$ 532,891</u>	<u>\$ 5,942,495</u>	<u>\$ 5,977,512</u>	<u>\$ 478,578</u>	<u>\$ 190,693</u>	<u>\$ 355,829</u>	<u>\$ 638,632</u>
\$ -	\$ 64,500	\$ -	\$ -	\$ -	\$ -	\$ -
12,582	-	81,831	-	3,143	-	2,469
<u>12,582</u>	<u>64,500</u>	<u>81,831</u>	<u>-</u>	<u>3,143</u>	<u>-</u>	<u>2,469</u>
-	-	-	-	-	-	-
-	4,340,117	-	-	-	-	-
19,220	826,000	-	-	-	-	-
-	711,878	-	478,578	-	355,829	-
501,050	-	2,200,253	-	104,113	-	454,992
-	-	3,531,523	-	83,437	-	127,310
39	-	163,905	-	-	-	53,861
<u>520,309</u>	<u>5,877,995</u>	<u>5,895,681</u>	<u>478,578</u>	<u>187,550</u>	<u>355,829</u>	<u>636,163</u>
<u>\$ 532,891</u>	<u>\$ 5,942,495</u>	<u>\$ 5,977,512</u>	<u>\$ 478,578</u>	<u>\$ 190,693</u>	<u>\$ 355,829</u>	<u>\$ 638,632</u>

Continued on next page

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
June 30, 2006**

	Crossroads		Gateway Center West	
	Low-Mod	Other	Low-Mod	Other
<b>ASSETS</b>				
Cash or Equity in Pooled Cash and Investments.....	\$ 684,176	\$ 1,538,506	\$ 49,949	\$ 243,352
Receivables:				
Taxes.....	-	-	-	12,246
Notes and Contracts.....	-	-	-	-
Interest.....	5,599	14,582	475	2,335
From Other Funds.....	-	-	2,449	-
Land Held for Resale.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 689,775</b>	<b>\$ 1,553,088</b>	<b>\$ 52,873</b>	<b>\$ 257,933</b>
<b>LIABILITIES</b>				
Accounts Payable.....	\$ -	\$ 116,845	\$ -	\$ -
Due to Other Funds.....	-	-	-	2,449
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>116,845</b>	<b>-</b>	<b>2,449</b>
<b>FUND BALANCES</b>				
Reserved for Land Held for Resale.....	-	-	-	-
Reserved for Notes Receivable.....	-	-	-	-
Reserved for Encumbrances.....	-	-	-	-
Reserved for Low and Moderate Income Housing.....	689,775	-	52,873	-
Unreserved:				
Reported in Special Revenue Funds:				
Designated for Debt Service.....	-	1,201,174	-	255,484
Designated for Subsequent Years' Expenditures.....	-	108,408	-	-
Undesignated.....	-	126,661	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>689,775</b>	<b>1,436,243</b>	<b>52,873</b>	<b>255,484</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 689,775</b>	<b>\$ 1,553,088</b>	<b>\$ 52,873</b>	<b>\$ 257,933</b>



Horton Plaza		Linda Vista		Mount Hope		Naval Training Center
Low/Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod
\$ 5,310,989	\$ 10,399,174	\$ 27,482	\$ 156,195	\$ 572,404	\$ 771,924	\$ 595,494
-	111,129	-	1,396	-	31,692	-
13,499,231	-	-	-	150,000	-	-
55,369	97,422	244	1,569	5,105	8,562	8,037
22,226	-	279	-	6,338	-	31,634
-	-	-	-	-	-	-
<u>\$ 18,887,815</u>	<u>\$ 10,607,725</u>	<u>\$ 28,005</u>	<u>\$ 159,160</u>	<u>\$ 733,847</u>	<u>\$ 812,178</u>	<u>\$ 635,165</u>
\$ 99,030	\$ -	\$ -	\$ -	\$ 1,620	\$ -	\$ -
-	22,226	-	279	16,019	6,338	-
99,030	22,226	-	279	17,639	6,338	-
-	-	-	-	-	-	-
13,499,231	-	-	-	150,000	-	-
3,444,921	-	-	-	31	-	-
1,844,633	-	28,005	-	566,177	-	635,165
-	10,585,499	-	158,881	-	805,840	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>18,788,785</u>	<u>10,585,499</u>	<u>28,005</u>	<u>158,881</u>	<u>716,208</u>	<u>805,840</u>	<u>635,165</u>
<u>\$ 18,887,815</u>	<u>\$ 10,607,725</u>	<u>\$ 28,005</u>	<u>\$ 159,160</u>	<u>\$ 733,847</u>	<u>\$ 812,178</u>	<u>\$ 635,165</u>

Continued on next page

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
June 30, 2006**

	Naval Training Center	North Bay	
	Other	Low-Mod	Other
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 2,749,313	\$ 2,435,477	\$ 2,326,575
Receivables:			
Taxes.....	158,170	-	138,436
Notes and Contracts.....	-	-	-
Interest.....	25,633	22,711	24,078
From Other Funds.....	-	27,687	-
Land Held for Resale.....	-	-	-
TOTAL ASSETS.....	<u>\$ 2,933,116</u>	<u>\$ 2,485,875</u>	<u>\$ 2,489,089</u>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 202,439	\$ -	\$ 240,361
Due to Other Funds.....	31,634	-	27,687
TOTAL LIABILITIES.....	<u>234,073</u>	<u>-</u>	<u>268,048</u>
<b>FUND BALANCES</b>			
Reserved for Land Held for Resale.....	-	-	-
Reserved for Notes Receivable.....	-	-	-
Reserved for Encumbrances.....	-	-	-
Reserved for Low and Moderate Income Housing.....	-	2,485,875	-
Unreserved:			
Reported in Special Revenue Funds:			
Designated for Debt Service.....	2,261,619	-	1,570,795
Designated for Subsequent Years' Expenditures.....	437,424	-	593,066
Undesignated.....	-	-	57,180
TOTAL FUND BALANCES.....	<u>2,699,043</u>	<u>2,485,875</u>	<u>2,221,041</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 2,933,116</u>	<u>\$ 2,485,875</u>	<u>\$ 2,489,089</u>

North Park		San Ysidro		Southcrest		Total		Total
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low/Mod	Other	
\$ 1,776,050	\$ 1,951,444	\$ 1,123,493	\$ 1,743,041	\$ 376,504	\$ 1,152,298	\$ 15,729,633	\$ 29,947,621	\$ 45,677,254
-	201,522	-	213,708	-	61,851	-	1,442,902	1,442,902
1,200,000	-	-	-	-	-	19,189,348	-	19,189,348
14,028	19,525	9,237	16,447	2,918	10,474	149,947	305,489	455,436
40,304	-	42,742	-	12,370	-	288,580	-	288,580
-	-	-	-	21,639	-	21,639	-	21,639
<u>\$ 3,030,382</u>	<u>\$ 2,172,491</u>	<u>\$ 1,175,472</u>	<u>\$ 1,973,196</u>	<u>\$ 413,431</u>	<u>\$ 1,224,623</u>	<u>\$ 35,379,147</u>	<u>\$ 31,696,012</u>	<u>\$ 67,075,159</u>
\$ -	\$ 254,667	\$ -	\$ 154,825	\$ 2,908	\$ -	\$ 172,563	\$ 969,137	\$ 1,141,700
183,633	40,305	-	42,741	-	12,370	199,652	288,580	488,232
183,633	294,972	-	197,566	2,908	12,370	372,215	1,257,717	1,629,932
-	-	-	-	21,639	-	21,639	-	21,639
1,200,000	-	-	-	-	-	19,189,348	-	19,189,348
-	-	11,382	18,500	6,836	-	4,342,466	37,720	4,380,186
1,646,749	-	1,164,090	-	382,048	-	11,453,479	-	11,453,479
-	1,240,873	-	1,255,182	-	1,212,253	-	23,840,025	23,840,025
-	509,158	-	501,948	-	-	-	6,003,437	6,003,437
-	127,488	-	-	-	-	-	557,113	557,113
<u>2,846,749</u>	<u>1,877,519</u>	<u>1,175,472</u>	<u>1,775,630</u>	<u>410,523</u>	<u>1,212,253</u>	<u>35,006,932</u>	<u>30,438,295</u>	<u>65,445,227</u>
<u>\$ 3,030,382</u>	<u>\$ 2,172,491</u>	<u>\$ 1,175,472</u>	<u>\$ 1,973,196</u>	<u>\$ 413,431</u>	<u>\$ 1,224,623</u>	<u>\$ 35,379,147</u>	<u>\$ 31,696,012</u>	<u>\$ 67,075,159</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
Year Ended June 30, 2006**

	Barrio Logan		Central Imperial
	Low-Mod	Other	Low-Mod
<b>REVENUES</b>			
Tax Increments.....	\$ 73,726	\$ 294,902	\$ 385,898
Interest.....	1,292	3,583	14,633
Rents.....	-	-	-
Private Sources.....	-	-	-
Other Revenue.....	-	-	246
<b>TOTAL REVENUES.....</b>	<b>75,018</b>	<b>298,485</b>	<b>400,777</b>
<b>EXPENDITURES</b>			
Administration.....	25,233	3,683	54,920
Legal.....	7,647	-	43,198
Plans and Surveys.....	12,986	-	113,820
Acquisition Expense.....	-	-	-
Property Management.....	-	-	1,200
Relocation.....	-	-	-
Rehabilitation.....	-	-	-
Project Improvements.....	-	-	4,335
Program Management.....	-	-	5,154
Rehabilitation Loans.....	-	-	-
Housing Subsidies.....	-	-	-
Tax Sharing Payments.....	-	8,310	-
ERAF Payments.....	-	11,040	-
<b>TOTAL EXPENDITURES.....</b>	<b>45,866</b>	<b>23,033</b>	<b>222,627</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>29,152</b>	<b>275,452</b>	<b>178,150</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	-	-	2,000
Transfers to Other Funds.....	-	(157,321)	(323,588)
Proceeds from Developer Loans and Notes.....	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>(157,321)</b>	<b>(321,588)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>29,152</b>	<b>118,131</b>	<b>(143,438)</b>
<b>FUND BALANCES AT JULY 1, 2005.....</b>	<b>34,924</b>	<b>53,028</b>	<b>544,462</b>
<b>FUND BALANCES AT JUNE 30, 2006.....</b>	<b>\$ 64,076</b>	<b>\$ 171,159</b>	<b>\$ 401,024</b>

Central Imperial	City Heights		College Community		College Grove	
	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod
\$ 1,543,590	\$ 2,263,176	\$ 9,052,705	\$ 146,968	\$ 587,872	\$ 143,270	\$ 573,079
23,339	42,084	163,002	10,558	3,587	7,620	15,858
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	69,780	-	-	-	-	-
<u>1,566,929</u>	<u>2,375,040</u>	<u>9,215,707</u>	<u>157,526</u>	<u>591,459</u>	<u>150,890</u>	<u>588,937</u>
14,071	177,121	65,818	933	3,732	1,160	4,640
-	8,098	-	-	-	-	-
-	22,084	-	-	-	-	-
-	-	-	-	-	-	-
-	798	-	-	-	-	-
-	5,646	-	-	-	-	-
-	250,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	825,000	-	-	-	-	-
304,307	-	2,972,054	-	29,158	-	-
91,733	-	522,835	-	18,539	-	38,292
<u>410,111</u>	<u>1,288,747</u>	<u>3,560,707</u>	<u>933</u>	<u>51,429</u>	<u>1,160</u>	<u>42,932</u>
<u>1,156,818</u>	<u>1,086,293</u>	<u>5,655,000</u>	<u>156,593</u>	<u>540,030</u>	<u>149,730</u>	<u>546,005</u>
12,445	2,110	-	-	-	-	-
(1,165,788)	(1,013,839)	(4,692,626)	-	(340,639)	-	(386,488)
-	-	-	-	-	-	-
<u>(1,153,343)</u>	<u>(1,011,729)</u>	<u>(4,692,626)</u>	<u>-</u>	<u>(340,639)</u>	<u>-</u>	<u>(386,488)</u>
<u>3,475</u>	<u>74,564</u>	<u>962,374</u>	<u>156,593</u>	<u>199,391</u>	<u>149,730</u>	<u>159,517</u>
<u>516,834</u>	<u>5,803,431</u>	<u>4,933,307</u>	<u>321,985</u>	<u>(11,841)</u>	<u>206,099</u>	<u>476,646</u>
<u>\$ 520,309</u>	<u>\$ 5,877,995</u>	<u>\$ 5,895,681</u>	<u>\$ 478,578</u>	<u>\$ 187,550</u>	<u>\$ 355,829</u>	<u>\$ 636,163</u>

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
Year Ended June 30, 2006**

	Crossroads		Gateway Center West
	Low-Mod	Other	Low-Mod
<b>REVENUES</b>			
Tax Increments.....	\$ 460,143	\$ 1,840,573	\$ 56,372
Interest.....	11,000	31,544	1,439
Rents.....	-	-	-
Private Sources.....	-	-	-
Other Revenue.....	-	-	-
<b>TOTAL REVENUES.....</b>	<b>471,143</b>	<b>1,872,117</b>	<b>57,811</b>
<b>EXPENDITURES</b>			
Administration.....	3,551	14,202	1,065
Legal.....	-	-	-
Plans and Surveys.....	20,456	-	-
Acquisition Expense.....	-	-	-
Property Management.....	-	-	-
Relocation.....	-	-	-
Rehabilitation.....	-	-	-
Project Improvements.....	5,245,000	-	-
Program Management.....	-	-	-
Rehabilitation Loans.....	-	-	-
Housing Subsidies.....	-	-	-
Tax Sharing Payments.....	-	408,191	-
ERAF Payments.....	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>5,269,007</b>	<b>422,393</b>	<b>1,065</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(4,797,864)</b>	<b>1,449,724</b>	<b>56,746</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	-	-	-
Transfers to Other Funds.....	-	(572,448)	(42,319)
Proceeds from Developer Loans and Notes.....	5,245,000	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>5,245,000</b>	<b>(572,448)</b>	<b>(42,319)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>447,136</b>	<b>877,276</b>	<b>14,427</b>
<b>FUND BALANCES AT JULY 1, 2005.....</b>	<b>242,639</b>	<b>558,967</b>	<b>38,446</b>
<b>FUND BALANCES AT JUNE 30, 2006.....</b>	<b>\$ 689,775</b>	<b>\$ 1,436,243</b>	<b>\$ 52,873</b>

Gateway Center West	Horton Plaza		Linda Vista		Mount Hope	
	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod
\$ 225,490	\$ 1,516,062	\$ 6,064,249	\$ 17,832	\$ 71,329	\$ 259,926	\$ 1,039,705
3,885	173,026	272,633	634	4,277	16,244	18,394
-	61,578	-	-	-	-	-
-	885,944	-	-	-	-	-
-	-	-	-	-	23,705	-
<u>229,375</u>	<u>2,636,610</u>	<u>6,336,882</u>	<u>18,466</u>	<u>75,606</u>	<u>299,875</u>	<u>1,058,099</u>
4,259	209,682	52,190	896	3,584	10,871	6,813
-	10,959	-	-	-	-	-
-	-	-	-	-	9,969	-
-	-	-	-	-	-	-
-	21,677	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	49,615	-	-	-	-	-
-	-	-	-	-	444	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,000	-	-	-	7,595	-	95,000
<u>10,259</u>	<u>291,933</u>	<u>52,190</u>	<u>896</u>	<u>11,179</u>	<u>21,284</u>	<u>101,813</u>
<u>219,116</u>	<u>2,344,677</u>	<u>6,284,692</u>	<u>17,570</u>	<u>64,427</u>	<u>278,591</u>	<u>956,286</u>
-	-	-	-	-	-	-
(105,826)	(758,995)	(7,454,538)	-	(66,106)	(120,592)	(764,209)
-	-	-	-	-	-	-
<u>(105,826)</u>	<u>(758,995)</u>	<u>(7,454,538)</u>	<u>-</u>	<u>(66,106)</u>	<u>(120,592)</u>	<u>(764,209)</u>
<u>113,290</u>	<u>1,585,682</u>	<u>(1,169,846)</u>	<u>17,570</u>	<u>(1,679)</u>	<u>157,999</u>	<u>192,077</u>
<u>142,194</u>	<u>17,203,103</u>	<u>11,755,345</u>	<u>10,435</u>	<u>160,560</u>	<u>558,209</u>	<u>613,763</u>
<u>\$ 255,484</u>	<u>\$ 18,788,785</u>	<u>\$ 10,585,499</u>	<u>\$ 28,005</u>	<u>\$ 158,881</u>	<u>\$ 716,208</u>	<u>\$ 805,840</u>

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
Year Ended June 30, 2006**

	Naval Training Center		North Bay
	Low-Mod	Other	Low-Mod
<b>REVENUES</b>			
Tax Increments.....	\$ 781,416	\$ 3,125,662	\$ 927,794
Interest.....	32,909	61,624	63,095
Rents.....	-	-	-
Private Sources.....	-	-	-
Other Revenue.....	-	-	-
<b>TOTAL REVENUES.....</b>	<b>814,325</b>	<b>3,187,286</b>	<b>990,889</b>
<b>EXPENDITURES</b>			
Administration.....	5,833	23,333	7,282
Legal.....	-	-	552
Plans and Surveys.....	-	-	15,492
Acquisition Expense.....	-	-	-
Property Management.....	-	-	-
Relocation.....	-	-	-
Rehabilitation.....	-	-	-
Project Improvements.....	-	-	-
Program Management.....	-	-	-
Rehabilitation Loans.....	1,116,887	-	-
Housing Subsidies.....	-	-	200,000
Tax Sharing Payments.....	-	672,375	-
ERAF Payments.....	-	127,713	-
<b>TOTAL EXPENDITURES.....</b>	<b>1,122,720</b>	<b>823,421</b>	<b>223,326</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(308,395)</b>	<b>2,363,865</b>	<b>767,563</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	-	-	-
Transfers to Other Funds.....	-	(1,755,415)	(174,441)
Proceeds from Developer Loans and Notes.....	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>(1,755,415)</b>	<b>(174,441)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(308,395)</b>	<b>608,450</b>	<b>593,122</b>
<b>FUND BALANCES AT JULY 1, 2005.....</b>	<b>943,560</b>	<b>2,090,593</b>	<b>1,892,753</b>
<b>FUND BALANCES AT JUNE 30, 2006.....</b>	<b>\$ 635,165</b>	<b>\$ 2,699,043</b>	<b>\$ 2,485,875</b>



North Bay Other	North Park		San Ysidro		Southcrest		Total
	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	
\$ 3,711,176	\$ 983,015	\$ 3,932,059	\$ 654,392	\$ 2,617,567	\$ 334,423	\$ 1,337,688	\$ 45,022,059
52,477	47,855	37,579	21,278	30,540	8,577	20,926	1,195,492
-	-	-	-	-	-	-	61,578
-	-	-	-	-	-	-	885,944
-	-	-	-	-	229	-	93,960
<u>3,763,653</u>	<u>1,030,870</u>	<u>3,969,638</u>	<u>675,670</u>	<u>2,648,107</u>	<u>343,229</u>	<u>1,358,614</u>	<u>47,259,033</u>
29,128	13,125	28,368	99,925	17,535	86,200	8,782	977,935
-	552	-	552	-	5,340	-	76,898
-	49,458	-	-	-	10,000	-	254,265
-	16,485	-	-	-	-	-	16,485
-	-	-	-	-	-	-	23,675
-	-	-	-	-	-	-	5,646
-	-	-	-	-	-	-	250,000
-	-	-	-	-	59,642	-	5,358,592
-	-	-	-	-	3,634	-	9,232
-	-	-	-	-	-	-	1,116,887
-	-	-	-	-	-	-	1,025,000
830,447	-	891,705	-	499,769	-	-	6,616,316
<u>280,493</u>	<u>-</u>	<u>227,501</u>	<u>-</u>	<u>152,293</u>	<u>-</u>	<u>95,000</u>	<u>1,674,034</u>
<u>1,140,068</u>	<u>79,620</u>	<u>1,147,574</u>	<u>100,477</u>	<u>669,597</u>	<u>164,816</u>	<u>103,782</u>	<u>17,404,965</u>
<u>2,623,585</u>	<u>951,250</u>	<u>2,822,064</u>	<u>575,193</u>	<u>1,978,510</u>	<u>178,413</u>	<u>1,254,832</u>	<u>29,854,068</u>
-	1,420,747	-	-	-	-	-	1,437,302
(4,293,288)	(386,806)	(5,375,227)	-	(744,433)	(105,916)	(579,835)	(31,380,683)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,245,000</u>
<u>(4,293,288)</u>	<u>1,033,941</u>	<u>(5,375,227)</u>	<u>-</u>	<u>(744,433)</u>	<u>(105,916)</u>	<u>(579,835)</u>	<u>(24,698,381)</u>
<u>(1,669,703)</u>	<u>1,985,191</u>	<u>(2,553,163)</u>	<u>575,193</u>	<u>1,234,077</u>	<u>72,497</u>	<u>674,997</u>	<u>5,155,687</u>
<u>3,890,744</u>	<u>861,558</u>	<u>4,430,682</u>	<u>600,279</u>	<u>541,553</u>	<u>338,026</u>	<u>537,256</u>	<u>60,289,540</u>
<u>\$ 2,221,041</u>	<u>\$ 2,846,749</u>	<u>\$ 1,877,519</u>	<u>\$ 1,175,472</u>	<u>\$ 1,775,630</u>	<u>\$ 410,523</u>	<u>\$ 1,212,253</u>	<u>\$ 65,445,227</u>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS  
June 30, 2006**

	Central Imperial	City Heights	College Grove
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ -	\$ 10,943	\$ -
Cash and Investments with Fiscal Agent.....	267,757	1,897,304	-
Receivables:			
Interest.....	949	171	-
From Other Funds.....	-	-	-
	-	-	-
 TOTAL ASSETS.....	<b>\$ 268,706</b>	<b>\$ 1,908,418</b>	<b>\$ -</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ -	\$ 458	\$ -
	-	458	-
 TOTAL LIABILITIES.....	-	458	-
<b>FUND BALANCES</b>			
Reserved for Debt Service.....	268,706	1,897,462	-
Unreserved:			
Reported in Debt Service Funds:			
Designated for Debt Service.....	-	10,498	-
	-	10,498	-
 TOTAL FUND BALANCES.....	268,706	1,907,960	-
 TOTAL LIABILITIES AND FUND BALANCES.....	<b>\$ 268,706</b>	<b>\$ 1,908,418</b>	<b>\$ -</b>

Gateway Center West	Horton Plaza	Mount Hope	North Bay	North Park	San Ysidro	Southcrest	Total
\$ -	\$ -	\$ -	\$ -	\$ 79	\$ -	\$ -	\$ 11,022
119,211	7,988,604	498,848	976,154	1,659,469	-	428,307	13,835,654
422	13,666	2,133	591	3,190	-	2,252	23,374
-	-	259	-	74,732	-	58,892	133,883
<u>\$ 119,633</u>	<u>\$ 8,002,270</u>	<u>\$ 501,240</u>	<u>\$ 976,745</u>	<u>\$ 1,737,470</u>	<u>\$ -</u>	<u>\$ 489,451</u>	<u>\$ 14,003,933</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458
-	-	-	-	-	-	-	458
119,633	8,002,270	500,617	976,639	1,660,332	-	429,826	13,855,485
-	-	623	106	77,138	-	59,625	147,990
<u>119,633</u>	<u>8,002,270</u>	<u>501,240</u>	<u>976,745</u>	<u>1,737,470</u>	<u>-</u>	<u>489,451</u>	<u>14,003,475</u>
<u>\$ 119,633</u>	<u>\$ 8,002,270</u>	<u>\$ 501,240</u>	<u>\$ 976,745</u>	<u>\$ 1,737,470</u>	<u>\$ -</u>	<u>\$ 489,451</u>	<u>\$ 14,003,933</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS  
Year Ended June 30, 2006**

	<u>Central Imperial</u>	<u>City Heights</u>	<u>College Grove</u>
<b>REVENUES</b>			
Interest.....	\$ 9,736	\$ 30,964	\$ -
TOTAL REVENUES.....	<u>9,736</u>	<u>30,964</u>	<u>-</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal.....	50,000	738,097	234,319
Interest.....	<u>204,985</u>	<u>1,289,186</u>	<u>74,606</u>
TOTAL EXPENDITURES.....	<u>254,985</u>	<u>2,027,283</u>	<u>308,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	<u>(245,249)</u>	<u>(1,996,319)</u>	<u>(308,925)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Tax Increments.....	197,327	821,019	308,925
Transfers from Other Funds.....	49,389	1,134,737	-
Transfers from Bond Proceeds.....	-	-	-
Transfers to Other Funds.....	<u>-</u>	<u>(2,110)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES).....	<u>246,716</u>	<u>1,953,646</u>	<u>308,925</u>
NET CHANGE IN FUND BALANCES.....	<u>1,467</u>	<u>(42,673)</u>	<u>-</u>
FUND BALANCES AT JULY 1, 2005.....	<u>267,239</u>	<u>1,950,633</u>	<u>-</u>
FUND BALANCES AT JUNE 30, 2006.....	<u>\$ 268,706</u>	<u>\$ 1,907,960</u>	<u>\$ -</u>

<u>Gateway Center West</u>	<u>Horton Plaza</u>	<u>Mount Hope</u>	<u>North Bay</u>	<u>North Park</u>	<u>San Ysidro</u>	<u>Southcrest</u>	<u>Total</u>
<u>\$ 4,412</u>	<u>\$ 288,447</u>	<u>\$ 18,468</u>	<u>\$ 62,021</u>	<u>\$ 42,495</u>	<u>\$ -</u>	<u>\$ 14,568</u>	<u>\$ 471,111</u>
<u>4,412</u>	<u>288,447</u>	<u>18,468</u>	<u>62,021</u>	<u>42,495</u>	<u>-</u>	<u>14,568</u>	<u>471,111</u>
<u>65,000</u>	<u>1,723,090</u>	<u>145,000</u>	<u>215,000</u>	<u>295,000</u>	<u>13,800</u>	<u>150,000</u>	<u>3,629,306</u>
<u>82,050</u>	<u>2,406,665</u>	<u>467,778</u>	<u>675,965</u>	<u>1,252,991</u>	<u>185,205</u>	<u>790,353</u>	<u>7,429,784</u>
<u>147,050</u>	<u>4,129,755</u>	<u>612,778</u>	<u>890,965</u>	<u>1,547,991</u>	<u>199,005</u>	<u>940,353</u>	<u>11,059,090</u>
<u>(142,638)</u>	<u>(3,841,308)</u>	<u>(594,310)</u>	<u>(828,944)</u>	<u>(1,505,496)</u>	<u>(199,005)</u>	<u>(925,785)</u>	<u>(10,587,979)</u>
<u>101,921</u>	<u>3,122,570</u>	<u>480,675</u>	<u>509,251</u>	<u>954,442</u>	<u>199,005</u>	<u>423,796</u>	<u>7,118,931</u>
<u>42,319</u>	<u>758,995</u>	<u>120,163</u>	<u>174,441</u>	<u>255,775</u>	<u>-</u>	<u>625,916</u>	<u>3,161,735</u>
<u>-</u>	<u>170</u>	<u>7</u>	<u>-</u>	<u>347,049</u>	<u>-</u>	<u>58,892</u>	<u>406,118</u>
<u>-</u>	<u>(606,874)</u>	<u>(15,050)</u>	<u>(125,276)</u>	<u>(124,482)</u>	<u>-</u>	<u>(93,095)</u>	<u>(966,887)</u>
<u>144,240</u>	<u>3,274,861</u>	<u>585,795</u>	<u>558,416</u>	<u>1,432,784</u>	<u>199,005</u>	<u>1,015,509</u>	<u>9,719,897</u>
<u>1,602</u>	<u>(566,447)</u>	<u>(8,515)</u>	<u>(270,528)</u>	<u>(72,712)</u>	<u>-</u>	<u>89,724</u>	<u>(868,082)</u>
<u>118,031</u>	<u>8,568,717</u>	<u>509,755</u>	<u>1,247,273</u>	<u>1,810,182</u>	<u>-</u>	<u>399,727</u>	<u>14,871,557</u>
<u>\$ 119,633</u>	<u>\$ 8,002,270</u>	<u>\$ 501,240</u>	<u>\$ 976,745</u>	<u>\$ 1,737,470</u>	<u>\$ -</u>	<u>\$ 489,451</u>	<u>\$ 14,003,475</u>

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**June 30, 2006**

	Barrio Logan	Central Imperial	City Heights
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 44,592	\$ 1,315,745	\$ 283,129
Investments at Fair Value.....	-	-	-
Receivables:			
Notes and Contracts.....	400,000	265,000	3,120,700
Interest.....	427	11,911	2,556
From Other Funds.....	-	-	-
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	-	67,639	-
General Working Capital .....	-	-	231,363
Land Held for Resale.....	40,000	337,544	850,000
 TOTAL ASSETS.....	 \$ 485,019	 \$ 1,997,839	 \$ 4,487,748
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 821,838	\$ 170,995	\$ 825,091
Due to Other Funds.....	-	-	-
Trust Liability.....	-	11,920	-
 TOTAL LIABILITIES.....	 821,838	 182,915	 825,091
<b>FUND BALANCES</b>			
Reserved for Land Held for Resale.....	40,000	337,544	850,000
Reserved for Notes Receivable.....	400,000	265,000	3,120,700
Reserved for Encumbrances.....	13,777	524,583	302,468
Reserved for Working Capital Advances.....	-	67,639	231,363
Designated for Subsequent Years' Expenditures.....	-	620,158	-
Undesignated.....	(790,596)	-	(841,874)
 TOTAL FUND BALANCES.....	 (336,819)	 1,814,924	 3,662,657
 TOTAL LIABILITIES AND FUND BALANCES.....	 \$ 485,019	 \$ 1,997,839	 \$ 4,487,748

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza	Linda Vista
\$ 17,765	\$ -	\$ 200,400	\$ 39,064	\$ 25,698	\$ 5,547,355 9,742,456	\$ 333,505
-	-	-	-	-	-	-
327	-	1,669	245	-	56,557	3,059
-	-	-	-	-	-	-
-	-	-	-	-	275,000	-
-	-	-	-	-	-	-
-	30,000	30,000	-	-	-	30,000
-	-	-	165,033	-	-	366,285
<u>\$ 18,092</u>	<u>\$ 30,000</u>	<u>\$ 232,069</u>	<u>\$ 204,342</u>	<u>\$ 25,698</u>	<u>\$ 15,621,368</u>	<u>\$ 732,849</u>
\$ 389,781	\$ 104,593	\$ 37,708	\$ 78	\$ 33,514	\$ 813,329	\$ -
-	-	-	1	-	-	-
-	-	100,000	16,116	-	25,000	-
<u>389,781</u>	<u>104,593</u>	<u>137,708</u>	<u>16,195</u>	<u>33,514</u>	<u>838,329</u>	<u>-</u>
-	-	-	165,033	-	-	366,285
-	-	-	-	-	-	-
29,696	62	33,295	11,807	27,422	1,264,353	1
-	30,000	30,000	-	-	275,000	30,000
-	-	31,066	11,307	-	13,243,686	336,563
<u>(401,385)</u>	<u>(104,655)</u>	<u>-</u>	<u>-</u>	<u>(35,238)</u>	<u>-</u>	<u>-</u>
<u>(371,689)</u>	<u>(74,593)</u>	<u>94,361</u>	<u>188,147</u>	<u>(7,816)</u>	<u>14,783,039</u>	<u>732,849</u>
<u>\$ 18,092</u>	<u>\$ 30,000</u>	<u>\$ 232,069</u>	<u>\$ 204,342</u>	<u>\$ 25,698</u>	<u>\$ 15,621,368</u>	<u>\$ 732,849</u>

Continued on next page

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
 June 30, 2006

	Mount Hope	Naval Training Center	North Bay
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 499,755	\$ 124,818	\$ 314,749
Investments at Fair Value.....	-	-	3,662,416
Receivables:			
Notes and Contracts.....	-	-	-
Interest.....	3,505	28	1,802
From Other Funds.....	15,760	-	-
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	199,567	-	-
General Working Capital .....	-	71,363	231,363
Land Held for Resale.....	446,199	-	-
	<b>\$ 1,164,786</b>	<b>\$ 196,209</b>	<b>\$ 4,210,330</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 7,729	\$ 165,811	\$ 2,800
Due to Other Funds.....	-	-	-
Trust Liability.....	5,136	-	-
	<b>12,865</b>	<b>165,811</b>	<b>2,800</b>
<b>FUND BALANCES</b>			
Reserved for Land Held for Resale.....	446,199	-	-
Reserved for Notes Receivable.....	-	-	-
Reserved for Encumbrances.....	24,257	99,037	923,886
Reserved for Working Capital Advances.....	199,567	71,363	231,363
Designated for Subsequent Years' Expenditures.....	481,898	-	629,322
Undesignated.....	-	(140,002)	2,422,959
	<b>1,151,921</b>	<b>30,398</b>	<b>4,207,530</b>
	<b>\$ 1,164,786</b>	<b>\$ 196,209</b>	<b>\$ 4,210,330</b>



North Park	San Ysidro	Southcrest	Total
\$ 1,940,472	\$ 98,928	\$ 561,843	\$ 11,347,818
-	-	-	13,404,872
-	-	-	3,785,700
13,632	914	6,785	103,417
108,901	-	-	124,661
-	-	-	275,000
-	-	27,060	294,266
-	-	-	624,089
<u>2,274,462</u>	<u>-</u>	<u>203,305</u>	<u>4,682,828</u>
\$ 4,337,467	\$ 99,842	\$ 798,993	\$ 34,642,651
\$ 93,058	\$ 1,800	\$ 5,911	\$ 3,474,036
-	-	58,891	58,892
<u>42,261</u>	<u>69,378</u>	<u>53,677</u>	<u>323,488</u>
<u>135,319</u>	<u>71,178</u>	<u>118,479</u>	<u>3,856,416</u>
2,274,462	-	203,305	4,682,828
-	-	-	3,785,700
1,296,804	107,894	35,622	4,694,964
-	-	27,060	1,193,355
-	-	414,527	15,768,527
<u>630,882</u>	<u>(79,230)</u>	<u>-</u>	<u>660,861</u>
<u>4,202,148</u>	<u>28,664</u>	<u>680,514</u>	<u>30,786,235</u>
\$ 4,337,467	\$ 99,842	\$ 798,993	\$ 34,642,651

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
Year Ended June 30, 2006

	Barrio Logan	Central Imperial	City Heights
<b>REVENUES</b>			
Interest.....	\$ 1,397	\$ 38,404	\$ 600,616
Rents.....	-	3,920	31,305
Private Sources.....	430,000	75,000	962,517
Other Revenue.....	133	42,492	3,797
<b>TOTAL REVENUES.....</b>	<b>431,530</b>	<b>159,816</b>	<b>1,598,235</b>
<b>EXPENDITURES</b>			
Administration.....	309,311	1,620,979	1,315,205
Legal.....	17,947	134,123	24,881
Plans and Surveys.....	11,575	309,774	77,763
Acquisition Expense.....	500	-	36,731
Real Estate/Fixture Purchases.....	-	-	810
Property Management.....	-	66,084	166,138
Relocation.....	-	-	-
Rehabilitation.....	-	-	-
Site Clearance.....	-	-	-
Project Improvements.....	-	10,449	583,034
Promotions and Marketing.....	-	-	-
Program Management.....	-	94,026	-
Tax Sharing Payments.....	-	14,127	-
ERAF Payments.....	-	-	-
Other.....	-	-	1,941,803
<b>TOTAL EXPENDITURES.....</b>	<b>339,333</b>	<b>2,249,562</b>	<b>4,146,365</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>92,197</b>	<b>(2,089,746)</b>	<b>(2,548,130)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Tax Increments.....	157,321	944,253	3,852,718
Transfers from Other Funds.....	-	285,961	18,888
Transfers from Bond Proceeds.....	-	-	-
Transfers to Other Funds.....	-	(2,000)	(120,898)
Proceeds from Developer Loans and Notes.....	-	-	-
Loans from the City of San Diego.....	-	750,226	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>157,321</b>	<b>1,978,440</b>	<b>3,750,708</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>249,518</b>	<b>(111,306)</b>	<b>1,202,578</b>
<b>FUND BALANCES AT JULY 1, 2005.....</b>	<b>(586,337)</b>	<b>1,926,230</b>	<b>2,460,079</b>
<b>FUND BALANCES AT JUNE 30, 2006.....</b>	<b>\$ (336,819)</b>	<b>\$ 1,814,924</b>	<b>\$ 3,662,657</b>

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza	Linda Vista
\$ 2,978	\$ -	\$ 2,554	\$ 772	\$ -	\$ 571,385	\$ 8,228
-	-	-	-	-	-	93,069
153,500	-	135,000	-	25,475	2,068,226	-
-	-	-	-	153	-	-
<u>156,478</u>	<u>-</u>	<u>137,554</u>	<u>772</u>	<u>25,628</u>	<u>2,639,611</u>	<u>101,297</u>
439,794	45,866	424,766	2,263	82,181	549,495	46,062
43,485	51	4,258	-	7,895	7,655	-
98,789	1,854	31,559	415	3,003	165,629	178
31	-	-	-	-	1,500	9,000
-	-	-	-	-	214,196	-
-	-	-	1,712	-	25,281	-
-	-	-	-	-	-	-
-	-	-	-	-	2,407,097	-
-	-	-	-	-	93,836	-
5,018,500	-	-	-	-	2,841	-
-	-	-	-	-	1,572	-
-	-	-	-	-	810,808	-
-	-	-	-	-	-	-
-	-	-	-	-	500,000	-
-	-	118,699	-	-	-	-
<u>5,600,599</u>	<u>47,771</u>	<u>579,282</u>	<u>4,390</u>	<u>93,079</u>	<u>4,779,910</u>	<u>55,240</u>
<u>(5,444,121)</u>	<u>(47,771)</u>	<u>(441,728)</u>	<u>(3,618)</u>	<u>(67,451)</u>	<u>(2,140,299)</u>	<u>46,057</u>
340,639	77,563	572,448	3,795	-	1,428,521	66,106
-	-	-	111	-	3,510,322	-
-	-	-	-	-	-	-
-	-	-	-	-	(170)	-
-	-	-	-	-	-	-
-	-	1,086	-	59,635	-	-
<u>340,639</u>	<u>77,563</u>	<u>573,534</u>	<u>3,906</u>	<u>59,635</u>	<u>4,938,673</u>	<u>66,106</u>
<u>(5,103,482)</u>	<u>29,792</u>	<u>131,806</u>	<u>288</u>	<u>(7,816)</u>	<u>2,798,374</u>	<u>112,163</u>
<u>4,731,793</u>	<u>(104,385)</u>	<u>(37,445)</u>	<u>187,859</u>	<u>-</u>	<u>11,984,665</u>	<u>620,686</u>
<u>\$ (371,689)</u>	<u>\$ (74,593)</u>	<u>\$ 94,361</u>	<u>\$ 188,147</u>	<u>\$ (7,816)</u>	<u>\$ 14,783,039</u>	<u>\$ 732,849</u>

Continued on next page.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
 Year Ended June 30, 2006

	Mount Hope	Naval Training Center	North Bay
<b>REVENUES</b>			
Interest.....	\$ 13,128	\$ -	\$ 154,558
Rents.....	-	-	17,111
Private Sources.....	-	229,611	-
Other Revenue.....	96,990	84	18
	<u>110,118</u>	<u>229,695</u>	<u>171,687</u>
<b>TOTAL REVENUES.....</b>			
<b>EXPENDITURES</b>			
Administration.....	252,000	294,582	750,973
Legal.....	4,138	58,986	11,743
Plans and Surveys.....	9,640	37,848	51,718
Acquisition Expense.....	-	19,373	17,508
Real Estate/Fixture Purchases.....	-	-	-
Property Management.....	11,106	-	8,032
Relocation.....	-	-	-
Rehabilitation.....	-	-	-
Site Clearance.....	-	-	-
Project Improvements.....	19,221	2,356,498	20,000
Promotions and Marketing.....	-	-	-
Program Management.....	4,272	-	-
Tax Sharing Payments.....	-	-	-
ERAF Payments.....	-	-	-
Other.....	-	-	-
	<u>300,377</u>	<u>2,767,287</u>	<u>859,974</u>
<b>TOTAL EXPENDITURES.....</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER</b>			
<b>EXPENDITURES.....</b>	<u>(190,259)</u>	<u>(2,537,592)</u>	<u>(688,287)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Tax Increments.....	283,513	1,755,415	1,061,125
Transfers from Other Funds.....	15,071	-	2,848,188
Transfers from Bond Proceeds.....	422	-	-
Transfers to Other Funds.....	-	-	-
Proceeds from Developer Loans and Notes.....	-	-	-
Loans from the City of San Diego.....	-	944,089	-
	<u>299,006</u>	<u>2,699,504</u>	<u>3,909,313</u>
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>			
<b>NET CHANGE IN FUND BALANCES.....</b>			
	<u>108,747</u>	<u>161,912</u>	<u>3,221,026</u>
<b>FUND BALANCES AT JULY 1, 2005.....</b>			
	<u>1,043,174</u>	<u>(131,514)</u>	<u>986,504</u>
<b>FUND BALANCES AT JUNE 30, 2006.....</b>			
	<u>\$ 1,151,921</u>	<u>\$ 30,398</u>	<u>\$ 4,207,530</u>

<u>North Park</u>	<u>San Ysidro</u>	<u>Southcrest</u>	<u>Total</u>
\$ 105,352	\$ 1,194	\$ 22,171	\$ 1,522,737
-	-	-	145,405
669,436	-	-	4,748,765
8,331	-	38,977	190,975
<u>783,119</u>	<u>1,194</u>	<u>61,148</u>	<u>6,607,882</u>
610,718	490,264	186,854	7,421,313
224,194	4,155	7,000	550,511
168,740	23,424	5,593	997,502
60,180	1,744	-	146,567
2,491,159	-	-	2,706,165
78,360	-	13,799	370,512
2,190	-	-	2,190
12	-	-	2,407,109
-	-	-	93,836
7,871,759	1,246,758	53,218	17,182,278
-	-	-	1,572
-	-	2,523	911,629
-	-	-	14,127
-	-	-	500,000
-	38,071	-	2,098,573
<u>11,507,312</u>	<u>1,804,416</u>	<u>268,987</u>	<u>35,403,884</u>
<u>(10,724,193)</u>	<u>(1,803,222)</u>	<u>(207,839)</u>	<u>(28,796,002)</u>
820,968	545,428	205,075	12,114,888
3,677,046	-	44,059	10,399,646
131,031	-	-	131,453
(1,720,543)	-	(578,892)	(2,422,503)
3,578,803	1,246,758	-	4,825,561
1,566	-	-	1,756,602
<u>6,488,871</u>	<u>1,792,186</u>	<u>(329,758)</u>	<u>26,805,647</u>
<u>(4,235,322)</u>	<u>(11,036)</u>	<u>(537,597)</u>	<u>(1,990,355)</u>
<u>8,437,470</u>	<u>39,700</u>	<u>1,218,111</u>	<u>32,776,590</u>
<u>\$ 4,202,148</u>	<u>\$ 28,664</u>	<u>\$ 680,514</u>	<u>\$ 30,786,235</u>



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Board of Directors  
Redevelopment Agency of the  
City of San Diego  
San Diego, California

**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***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of San Diego, California (Agency), a component unit of the City of San Diego, California, as of and for the year ended June 30, 2006, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated October 16, 2008. 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 Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Agency's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying current year findings and recommendations (findings related to financial statements) as item 2006-1. Reportable conditions are also described in the status of prior year findings and recommendations as items 2004-1 and 2003-1. These conditions reported in the prior three years also existed in the current year.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material

weaknesses. However, of the reportable conditions described above, we consider items 2004-1 and 2003-1 to be material weaknesses. The conditions reported in item 2004-1 and 2003-1 also existed in the current year.

### **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 and regulation identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies* issued by the State Controller's Office and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies*, issued by the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying current year findings as items 2006-a and 2006-b.

This report is intended solely for the information and use of the Board of Directors, management of the Agency, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Macias Fini & O'Connell LLP*

Certified Public Accountants

Los Angeles, California

October 16, 2008

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
CURRENT YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2006

**Financial Statement Findings:**

***2006-1 Missing Journal Entry Approvals***

In the fiscal year ended June 30, 2006, the Agency did not print hard copies of their journal entries entered into AutoJV, the online journal voucher system. AutoJV has controls built in that distinguish amongst employees and managers, allowing employees distinct access to submit, modify, and/or approve journal entries based on position level. During the performance of procedures on the Agency's post-close journal entries, we noted 2 instances out of 40 in which the post-closes had not been appropriately approved prior to their affecting the financial statements. Because journal entries were submitted online without hard copies, two post-closes were missed for approval, although these were posted to the financials. If there are no controls in place or procedures enforced to ensure post-close entries have to be approved before posting to the financials, the financials can be materially altered without the knowledge of management.

We recommend that the Agency's management implement procedures to consistently monitor the journal entries being posted through AutoJV to ensure that no journal entries are submitted without proper approval. There should be a control or procedure in place that does not allow Agency employees to post journal entries to the financials if they have not yet been approved.

***Management Response:***

We agree. The Agency's management implemented procedures prior to the completion of the Fiscal Year 2006 financial statements to address these issues. A complete accounting and review of all post-close journals was performed by ensuring that (1) all post-close adjustments to the financial statements were journalized, (2) all hard copies of post-close journals were printed and (3) all post-close journals posted to the financial statements were properly authorized. This procedure was implemented retroactively to all post-close accounting entries recorded for the Fiscal Year 2006 prior to the issuance of the financial statements in order to eliminate the financial reporting risks identified above.



REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
CURRENT YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2006

**Compliance Findings:**

***2006-a Annual Report Submission to the City Council***

The California Health and Safety Code section 33080.1 states that “*every redevelopment agency shall submit an annual report to its legislative body within six months of the end of the agency’s fiscal year.*” The annual report should include: “*(1) an independent financial audit report for the previous fiscal year, (2) a fiscal statement for the previous fiscal year that contains the information required pursuant to Section 33080.5, (3) a description of the agency’s activities in the previous fiscal year affecting housing and displacement that contains the information required by Sections 33080.4 and 33080.7, (4) a description of the agency’s progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year, (5) a list of, and status report on, all loans made by the redevelopment agency that are \$50,000 or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the agency, (6) a description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year.*”

During the performance of procedures on the compliance requirements related to “Financial Disclosure and Reporting”, we noted that the Agency did not prepare and submit a complete annual report for the fiscal year ended June 30, 2006 to its Board of Directors within six months of the end of that fiscal year. The Agency’s procedure was to complete all components of the annual report prior to submitting to the Board of Directors; however, not all components of the report were completed within six months of the end of the fiscal year due to an incomplete audit of the Agency’s financial statements.

We recommend that the Agency prepare and submit all required reports to the Board of Directors within six months of the fiscal year end. In the case an audit has not been completed, the Agency could submit an unaudited set of financials and indicate that since the financial report included unaudited numbers, the submitted numbers could change when the actual audit is completed.

***Management Response:***

We agree. The Agency plans to submit the required reports to the City Council in future years within six months of the end of each respective fiscal year. The City will also ensure the City Council is made aware if the reports are still “unaudited” at the time of submission.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
CURRENT YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2006

***2006-b Properties Held for Longer than Five Years***

In accordance with CA Health & Safety Code §33334.16, the Agency is required to initiate activities to develop properties purchased with Housing Fund money within five years from the date of acquisition. If development activities have not begun within this period, the legislative body may adopt a resolution extending the period for one time, not to exceed five years. During our review of the Agency's year ended June 30, 2006 property listing, we noted that out of a sample of 25 properties selected for testing, 1 property acquired with Housing Fund money did not initiate activities within the five year period, nor did they attempt to obtain an extension by resolution.

We recommend that the Agency consistently monitor its properties in order to maintain compliance with CA Health & Safety Code §33334.16. The Agency should obtain the appropriate resolutions to extend the periods of time for properties approaching 5 years, or sell the property and the money from the sale less reimbursement to the agency for the cost of the sale should be deposited in the Agency's Housing Fund.

***Management Response:***

SEDC management agrees. The subject property is located in the Southcrest Redevelopment Project Area immediately north of the former 252 Corridor – a former abandoned right-of-way that was redeveloped in part with a public investment of \$11.8 million. The acquisition of the property was a part of the development strategy and effort employed by SEDC to assemble developable parcels without the use of eminent domain. The development contemplated for the subject property at the time of its acquisition was affordable housing which was to be accomplished by private development consistent with the goals of the Southcrest Redevelopment Plan and the requirements of the California Redevelopment Law (CRL). In this regard, SEDC has been engaged in various marketing efforts and strategies to promote the requisite affordable housing opportunities. However, given the financial challenges associated with this effort, SEDC has unfortunately been unable to attract the type of quality development contemplated for this property. Therefore, SEDC is going to request that the City Council extend for a period of five (5) additional years the time in which it may initiate on the property the requisite affordable housing opportunities pursuant to Section 33334.16 of the CRL.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2006

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Findings related to the financial statements:

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<b>Reference Number:</b>	<b>2004-1</b>
Financial Statement Area:	<i>Accounting for Land Held for Resale</i>
Audit Finding:	Although the management companies properly recorded land-held-for-resale transactions in their internal records, the management companies did not timely communicate sales or transfers of land-held-for-resale information to the Agency resulting in financial statement errors. For example, the Agency had to reduce its reported land-held-for-resale balance by \$33 million to its fiscal years ended June 30, 2003 and June 30, 2004 beginning balances.
Status of Corrective Action:	In progress. This finding was not corrected during the fiscal year ended June 30, 2006 but was corrected shortly thereafter. On October 26, 2006 RDA implemented revised procedures including confirmations of land inventory balances to component units and for monitoring the effects of various Disposition and Development Agreements on the status of land held in inventory.
<b>Reference Number:</b>	<b>2003-1</b>
Financial Statement Area:	<i>Material Weakness in Internal Controls over Financial Reporting</i>
Audit Finding:	There were several internal control deficiencies that resulted in numerous errors and restatements of previously issued financial statements. Some of the deficiencies noted were as follows: <ul style="list-style-type: none"><li>- Improper financial statement presentation of debt transactions</li><li>- Failure to properly record certain loan transactions</li><li>- Failure to transfer completed projects out of CIP and begin depreciating assets</li><li>- Improper classification of assets</li><li>- Improper valuations of land held for resale</li><li>- Incomplete capture of capitalizable expenditures</li><li>- Failure to recognize certain revenues that met applicable revenue recognition criteria.</li></ul>
Status of Corrective Action:	In progress. This finding was not corrected during the fiscal year ended June 30, 2006. However, prior to the issuance of this report, several modifications to the financial reporting process and control environment were made. These modifications include the hiring of new management to oversee financial reporting and the implementation of revised policies, procedures, and training for employees. Notwithstanding the improvements made prior to the issuance of this report, many more improvements need to be made in order to mitigate fully all aspects of the finding.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2006

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Findings related to compliance:

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<b>Reference Number:</b>	<b>2005-a</b>
Compliance Area:	<i>Annual Report Submission to the City Council</i>
Audit Finding:	During the performance of procedures on the compliance requirements related to “Financial Disclosure and Reporting”, we noted that the Agency did not prepare and submit a complete annual report for the fiscal year ended June 30, 2005 to its Board of Directors within six months of the end of that fiscal year. The Agency’s procedure was to complete all components of the annual report prior to submitting to the Board of Directors; however, not all components of the report were completed within six months of the end of the fiscal year due to a lack of personnel and an incomplete audit of the Agency’s financial statements.
Status of Corrective Action:	Not corrected during fiscal year ended June 30, 2006. See current year finding 2006-a.
<b>Reference Number:</b>	<b>2005-b</b>
Compliance Area:	<i>Monitoring of Available Affordable Housing</i>
Audit Finding:	During the performance of our procedures on compliance related to “Affordable Housing – Housing Assistance”, we noted that the Agency received the monitoring reports prepared by SDHC for fiscal year 2005, dated January 2006 in March of 2006. Since all reporting is required to be submitted by the Agency within 6 months of the end of the fiscal year, not only was this monitoring information too late to meet the regulatory reporting requirements, but this information was received significantly after the end of the fiscal year, too late for the Agency to take meaningful action as a result of this monitoring report.
Status of Corrective Action:	Corrected during fiscal year ended June 30, 2006.
<b>Reference Number:</b>	<b>2004-b</b>
Compliance Area:	<i>Annual Report Submission to the City Council</i>
Audit Finding:	The Agency did not prepare and submit a complete annual report for the fiscal year ended June 30, 2003 to the Board of Directors within six months of the end of the fiscal year, as required by the California Health and Safety Code section 33080.1. Not all components of the report were completed within six months of the end of the fiscal year due to a lack of personnel and an incomplete audit of the Agency’s financial statements.
Status of Corrective Action:	Not corrected during fiscal year ended June 30, 2005. See current year finding 2006-a.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2006

<b>Reference Number:</b>	<b>2004-c</b>
Compliance Area:	<i>Monitoring of Available Affordable Housing</i>
Audit Finding:	The Agency did not receive the monitoring reports prepared by the San Diego Housing Commission (SDHC) for the fiscal year ended June 30, 2004 ( <i>California Health and Safety Code Section 33418</i> ). The Agency obtained the report from SDHC subsequent to repeated requests from the auditor which indicates that the Agency was not actively monitoring the levels of available affordable housings to low and moderate income households.
Status of Corrective Action:	Corrected during fiscal year ended June 30, 2006.

<b>Reference Number:</b>	<b>2003-b</b>
Compliance Area:	<i>Annual Report Submission to the City Council</i>
Audit Finding:	The Agency did not prepare and submit a complete annual report for the fiscal year ended June 30, 2002 to the Board of Directors within six months of the end of the fiscal year as required by the California Health and Safety Code section 33080.1.
Status of Corrective Action:	Not corrected during fiscal year ended June 30, 2006. See current year finding 2006-a.

<b>Reference Number:</b>	<b>2003-c</b>
Compliance Area:	<i>Monitoring of Available Affordable Housing</i>
Audit Finding:	The Agency was unable to provide any monitoring reports received from owners or managers of affordable housing to low and moderate income households or demonstrate that any monitoring had been performed.
Status of Corrective Action:	Corrected during fiscal year ended June 30, 2006.

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Supplemental Information Section  
(Unaudited)

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Schedule of Changes to Loans  
from the City of San Diego

**SCHEDULE OF CHANGES TO LOANS  
FROM THE CITY OF SAN DIEGO  
Year Ended June 30, 2006**

**CHANGES IN PRINCIPAL DUE TO CITY BY PROJECT AREA**

	<b>Balance July 1, 2005</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2006</b>
Barrio Logan.....	\$ 12,151,041	\$ -	\$ -	\$ 12,151,041
Central Imperial.....	18,066,153	750,226	-	18,816,379
Centre City.....	43,890,642	1,452	707,686	43,184,408
City Heights.....	9,759,266	-	-	9,759,266
College Community.....	721,591	-	-	721,591
College Grove.....	40,963	-	-	40,963
Crossroads.....	792,208	1,086	-	793,294
Gateway Center West.....	6,129,466	-	-	6,129,466
Grantville.....	412,873	59,635	-	472,508
Horton Plaza.....	323,090	-	323,090	-
Linda Vista.....	1,945,141	-	-	1,945,141
Mount Hope.....	3,918,314	-	-	3,918,314
Naval Training Center.....	2,409,629	944,089	-	3,353,718
North Bay.....	1,735,391	-	-	1,735,391
North Park.....	2,035,706	1,566	-	2,037,272
San Ysidro.....	775,128	-	-	775,128
Southcrest.....	9,911,142	-	-	9,911,142
<b>Total Principal Due</b>	<b>\$ 115,017,744</b>	<b>\$ 1,758,054</b>	<b>\$ 1,030,776</b>	<b>\$ 115,745,022</b>

**CHANGES IN INTEREST DUE TO CITY BY PROJECT AREA**

	<b>Balance July 1, 2005</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2006</b>
Barrio Logan.....	\$ 9,729,301	\$ 880,950	\$ -	\$ 10,610,251
Central Imperial.....	8,605,674	1,336,992	-	9,942,666
Centre City.....	61,590,666	3,134,216	42,809	64,682,073
City Heights.....	5,460,190	665,320	320,898	5,804,612
College Community.....	662,889	52,315	-	715,204
College Grove.....	18,011	2,970	-	20,981
Crossroads.....	108,012	57,474	-	165,486
Gateway Center West.....	12,340,038	444,386	-	12,784,424
Grantville.....	12,447	32,095	-	44,542
Horton Plaza.....	-	1,669	1,669	-
Linda Vista.....	3,829,044	141,023	-	3,970,067
Mount Hope.....	477,431	60,409	-	537,840
Naval Training Center.....	810,595	108,024	-	918,619
North Bay.....	52,062	125,816	-	177,878
North Park.....	1,017,823	147,645	-	1,165,468
San Ysidro.....	709,084	56,197	-	765,281
Southcrest.....	8,418,455	718,558	520,000	8,617,013
<b>Total Interest Due</b>	<b>\$ 113,841,722</b>	<b>\$ 7,966,059</b>	<b>\$ 885,376</b>	<b>\$ 120,922,405</b>

## Assessed Valuations

**BARRIO LOGAN REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2005-06 (BASE YEAR 1991-92)**  
**(UNAUDITED)**

	Base Year 1991-92	Revised Base Year 1991-92	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 32,772	\$ 37,330	\$ 41,539
Public Utilities - State Assessed.....	2,829	2,608	236
 Total Secured Valuation.....	 35,601	 39,938	 41,775
Unsecured - Locally Assessed.....	4,710	4,692	2,583
 Total Gross Valuation.....	 40,311	 44,630	 44,358
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	3,664	3,664	7,746
Unsecured - Locally Assessed.....	-	-	-
 Total Exemptions.....	 3,664	 3,664	 7,746
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	29,108	33,666	33,793
Public Utilities - State Assessed.....	2,829	2,608	236
 Net Secured.....	 31,937	 36,274	 34,029
Unsecured - Locally Assessed.....	4,710	4,692	2,583
 NET ASSESSED VALUATION FOR TAX RATE.....	 \$ 36,647	 \$ 40,966	 \$ 36,612
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....			(4,354)
Percentage Increase (Decrease) Over Base Year.....			-10.63%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 217	\$ 217	\$ 217
Unsecured - Locally Assessed.....	-	-	-
 Total Homeowners' Exemptions.....	 217	 217	 217
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
 Total Business Inventory Exemptions.....	 -	 -	 -
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	28,891	33,449	33,576
Public Utilities - State Assessed.....	2,829	2,608	236
 Net Secured.....	 31,720	 36,057	 33,812
Unsecured - Locally Assessed.....	4,710	4,692	2,583
 NET ASSESSED VALUATION.....	 \$ 36,430	 \$ 40,749	 \$ 36,395

Revised Base Year 1991-92	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
\$ 37,013 2,608	\$ 42,711 260	\$ 43,675 378	\$ 45,664 411	\$ 46,178 420	\$ 49,720 429	\$ 51,543 386	\$ 56,030 334
39,621 4,692	42,971 2,630	44,053 3,924	46,075 5,926	46,598 5,889	50,149 6,948	51,929 3,561	56,364 5,414
44,313	45,601	47,977	52,001	52,487	57,097	55,490	61,778
3,664 -	7,996 -	8,216 713	8,634 1,048	8,356 1,233	8,501 2,362	7,621 0	7,834 1,441
3,664	7,996	8,929	9,682	9,589	10,863	7,621	9,275
33,349 2,608	34,715 260	35,459 378	37,030 411	37,822 420	41,219 429	43,922 386	48,196 334
35,957 4,692	34,975 2,630	35,837 3,211	37,441 4,878	38,242 4,656	41,648 4,586	44,308 3,561	48,530 3,973
\$ 40,649	\$ 37,605	\$ 39,048	\$ 42,319	\$ 42,898	\$ 46,234	\$ 47,869	\$ 52,503
	(3,044)	(1,601)	1,670	2,249	5,585	7,220	11,854
	-7.49%	-3.94%	4.11%	5.53%	13.74%	17.76%	29.16%
\$ 217 -	\$ 224 -	\$ 224 -	\$ 217 -	\$ 217 -	\$ 217 -	\$ 217 -	\$ 189 -
217	224	224	217	217	217	217	189
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,132 2,608	34,491 260	35,235 378	36,813 411	37,605 420	41,002 429	43,705 386	48,007 334
35,740 4,692	34,751 2,630	35,613 3,211	37,224 4,878	38,025 4,656	41,431 4,586	44,091 3,561	48,341 3,973
\$ 40,432	\$ 37,381	\$ 38,824	\$ 42,102	\$ 42,681	\$ 46,017	\$ 47,652	\$ 52,314

Continued on next page

**BARRIO LOGAN REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1996-97 TO 2005-06 (BASE YEAR 1991-92)  
 (UNAUDITED)**

<u>GROSS</u>	<u>2004-05</u>	<u>2005-06</u>
Secured - Locally Assessed.....		
Public Utilities - State Assessed.....	\$ 74,368	\$ 82,783
	<u>318</u>	<u>324</u>
Total Secured Valuation.....		
Unsecured - Locally Assessed.....	74,686	83,107
	<u>4,877</u>	<u>5,452</u>
Total Gross Valuation.....	<u>79,563</u>	<u>88,559</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>		
Secured - Locally Assessed.....		
Unsecured - Locally Assessed.....	12,410	12,658
	<u>1,184</u>	<u>1,279</u>
Total Exemptions.....	<u>13,594</u>	<u>13,937</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>		
Secured - Locally Assessed.....		
Public Utilities - State Assessed.....	61,958	70,125
	<u>318</u>	<u>324</u>
Net Secured.....		
Unsecured - Locally Assessed.....	62,276	70,449
	<u>3,693</u>	<u>4,173</u>
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 65,969</u></b>	<b><u>\$ 74,622</u></b>
<b><u>INCREMENT</u></b>		
Net Assessed Valuation Increase (Decrease) Over Base Year.....	25,320	33,973
Percentage Increase (Decrease) Over Base Year.....	62.29%	83.58%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>		
Secured - Locally Assessed.....		
Unsecured - Locally Assessed.....	\$ 175	\$ 175
	<u>-</u>	<u>-</u>
Total Homeowners' Exemptions.....	<u>175</u>	<u>175</u>
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>		
Secured - Locally Assessed.....		
Unsecured - Locally Assessed.....	-	-
	<u>-</u>	<u>-</u>
Total Business Inventory Exemptions.....	<u>-</u>	<u>-</u>
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>		
Secured - Locally Assessed.....		
Public Utilities - State Assessed.....	61,783	69,950
	<u>318</u>	<u>324</u>
Net Secured.....		
Unsecured - Locally Assessed.....	62,101	70,274
	<u>3,693</u>	<u>4,173</u>
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 65,794</u></b>	<b><u>\$ 74,447</u></b>

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**CENTRAL IMPERIAL REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	Base Year 1992-93	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 94,838	\$ 96,903	\$ 97,584
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	94,838	96,903	97,584
Unsecured - Locally Assessed.....	2,692	2,868	1,431
Total Gross Valuation.....	97,530	99,771	99,015
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	6,693	12,981	16,244
Unsecured - Locally Assessed.....	-	115	137
Total Exemptions.....	6,693	13,096	16,381
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	88,145	83,922	81,340
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	88,145	83,922	81,340
Unsecured - Locally Assessed.....	2,692	2,753	1,294
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 90,837</b>	<b>\$ 86,675</b>	<b>\$ 82,634</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		(4,162)	(8,203)
Percentage Increase (Decrease) Over Base Year.....		-4.58%	-9.03%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,033	\$ 1,039	\$ 1,219
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	1,033	1,039	1,219
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	87,112	82,883	80,121
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	87,112	82,883	80,121
Unsecured - Locally Assessed.....	2,692	2,753	1,294
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 89,804</b>	<b>\$ 85,636</b>	<b>\$ 81,415</b>



1996-97	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 96,170	\$ 97,516	\$ 67,688	\$ 83,275	\$ 88,975	\$ 102,297	\$ 114,448	\$ 123,326
-	-	-	-	-	-	-	-
96,170	97,516	67,688	83,275	88,975	102,297	114,448	123,326
1,857	1,558	2,693	1,738	1,997	2,240	3,412	3,261
98,027	99,074	70,381	85,013	90,972	104,537	117,860	126,587
15,218	15,202	6,693	14,133	10,006	16,120	14,351	14,935
86	-	-	16	187	76	462	5
15,304	15,202	6,693	14,149	10,193	16,196	14,813	14,940
80,952	82,314	60,995	69,142	78,969	86,177	100,097	108,391
-	-	-	-	-	-	-	-
80,952	82,314	60,995	69,142	78,969	86,177	100,097	108,391
1,771	1,558	2,693	1,722	1,810	2,164	2,950	3,256
\$ 82,723	\$ 83,872	\$ 63,688	\$ 70,864	\$ 80,779	\$ 88,341	\$ 103,047	\$ 111,647
(8,114)	(6,965)		7,176	17,091	24,653	39,359	47,959
-8.93%	-7.67%		11.27%	26.84%	38.71%	61.80%	75.30%
\$ 1,347	\$ 1,416	\$ 1,033	\$ 1,447	\$ 1,541	\$ 1,636	\$ 1,636	\$ 1,944
-	-	-	-	-	-	-	-
1,347	1,416	1,033	1,447	1,541	1,636	1,636	1,944
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
79,605	80,898	59,962	67,695	77,428	84,541	98,461	106,447
-	-	-	-	-	-	-	-
79,605	80,898	59,962	67,695	77,428	84,541	98,461	106,447
1,771	1,558	2,693	1,722	1,810	2,164	2,950	3,256
\$ 81,376	\$ 82,456	\$ 62,655	\$ 69,417	\$ 79,238	\$ 86,705	\$ 101,411	\$ 109,703

Continued on next page

**CENTRAL IMPERIAL REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 137,669	\$ 160,513	\$ 191,238
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	137,669	160,513	191,238
Unsecured - Locally Assessed.....	5,195	4,753	5,741
Total Gross Valuation.....	<u>142,864</u>	<u>165,266</u>	<u>196,979</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	16,287	19,393	22,212
Unsecured - Locally Assessed.....	290	391	416
Total Exemptions.....	<u>16,577</u>	<u>19,784</u>	<u>22,628</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	121,382	141,120	169,026
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	121,382	141,120	169,026
Unsecured - Locally Assessed.....	4,905	4,362	5,325
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 126,287</u></b>	<b><u>\$ 145,482</u></b>	<b><u>\$ 174,351</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	62,599	81,794	110,663
Percentage Increase (Decrease) Over Base Year.....	98.29%	128.43%	173.76%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,946	\$ 1,994	\$ 1,994
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	<u>1,946</u>	<u>1,994</u>	<u>1,994</u>
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	119,436	139,126	167,032
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	119,436	139,126	167,032
Unsecured - Locally Assessed.....	4,905	4,362	5,325
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 124,341</u></b>	<b><u>\$ 143,488</u></b>	<b><u>\$ 172,357</u></b>

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**CENTRAL IMPERIAL REDEVELOPMENT PROJECT - EXPANSION 2**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1999-2000 TO 2005-06 (BASE YEAR 1999-2000)**  
**(UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 16,115	\$ 16,080	\$ 17,367
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	16,115	16,080	17,367
Unsecured - Locally Assessed.....	27	172	148
Total Gross Valuation.....	16,142	16,252	17,515
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	1,105	1,192	1,214
Unsecured - Locally Assessed.....	-	145	129
Total Exemptions.....	1,105	1,337	1,343
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	15,010	14,888	16,153
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	15,010	14,888	16,153
Unsecured - Locally Assessed.....	27	27	19
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 15,037</b>	<b>\$ 14,915</b>	<b>\$ 16,172</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		(122)	1,135
Percentage Increase (Decrease) Over Base Year.....		-0.81%	7.55%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 721	\$ 721	\$ 714
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	721	721	714
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	14,289	14,167	15,439
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	14,289	14,167	15,439
Unsecured - Locally Assessed.....	27	27	19
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 14,316</b>	<b>\$ 14,194</b>	<b>\$ 15,458</b>

	2001-02	2002-03	2003-04	2004-05	2005-06
\$	18,508	\$ 32,461	\$ 37,450	\$ 51,100	\$ 62,540
	-	-	-	-	-
	18,508	32,461	37,450	51,100	62,540
	247	1,399	2,340	2,532	3,715
	<u>18,755</u>	<u>33,860</u>	<u>39,790</u>	<u>53,632</u>	<u>66,255</u>
	1,234	1,156	1,180	1,201	1,226
	229	-	184	166	159
	<u>1,463</u>	<u>1,156</u>	<u>1,364</u>	<u>1,367</u>	<u>1,385</u>
	17,274	31,305	36,270	49,899	61,314
	-	-	-	-	-
	17,274	31,305	36,270	49,899	61,314
	18	1,399	2,156	2,366	3,556
\$	<u>17,292</u>	<u>\$ 32,704</u>	<u>\$ 38,426</u>	<u>\$ 52,265</u>	<u>\$ 64,870</u>
	2,255	17,667	23,389	37,228	49,833
	15.00%	117.49%	155.54%	247.58%	331.40%
\$	714	\$ 742	\$ 805	\$ 826	\$ 826
	-	-	-	-	-
	<u>714</u>	<u>742</u>	<u>805</u>	<u>826</u>	<u>826</u>
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	16,560	30,563	35,465	49,073	60,488
	-	-	-	-	-
	16,560	30,563	35,465	49,073	60,488
	18	1,399	2,156	2,366	3,556
\$	<u>16,578</u>	<u>\$ 31,962</u>	<u>\$ 37,621</u>	<u>\$ 51,439</u>	<u>\$ 64,044</u>

**CENTRAL IMPERIAL REDEVELOPMENT PROJECT - EXPANSION 3**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 2001-02 TO 2005-06 (BASE YEAR 2001-02)**  
**(UNAUDITED)**

	Base Year 2001-02	2001-02	2002-03
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 3,215	\$ 10,279	\$ 14,131
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	3,215	10,279	14,131
Unsecured - Locally Assessed.....	-	-	2,022
Total Gross Valuation.....	<u>3,215</u>	<u>10,279</u>	<u>16,153</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	3,215	10,279	14,131
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	3,215	10,279	14,131
Unsecured - Locally Assessed.....	-	-	2,022
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 3,215</u></b>	<b><u>\$ 10,279</u></b>	<b><u>\$ 16,153</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		7,064	12,938
Percentage Increase (Decrease) Over Base Year.....		219.72%	402.43%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	3,215	10,279	14,131
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	3,215	10,279	14,131
Unsecured - Locally Assessed.....	-	-	2,022
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 3,215</u></b>	<b><u>\$ 10,279</u></b>	<b><u>\$ 16,153</u></b>

	2003-04	2004-05	2005-06
\$	14,793	\$ 17,357	\$ 18,491
	-	-	-
	14,793	17,357	18,491
	1,982	1,835	1,826
	<u>16,775</u>	<u>19,192</u>	<u>20,317</u>
	-	-	-
	-	-	-
	-	-	-
	14,793	17,357	18,491
	-	-	-
	14,793	17,357	18,491
	1,982	1,835	1,826
\$	<u>16,775</u>	<u>\$ 19,192</u>	<u>\$ 20,317</u>
	13,560	15,977	17,102
	421.77%	496.95%	531.94%
\$	-	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	14,793	17,357	18,491
	-	-	-
	14,793	17,357	18,491
	1,982	1,835	1,826
\$	<u>16,775</u>	<u>\$ 19,192</u>	<u>\$ 20,317</u>

**CENTRE CITY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	Base Year 1992-93	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,090,174	\$ 972,637	\$ 927,021
Public Utilities - State Assessed.....	3,465	1,862	2,181
Total Secured Valuation.....	1,093,639	974,499	929,202
Unsecured - Locally Assessed.....	64,243	17,922	22,293
Total Gross Valuation.....	1,157,882	992,421	951,495
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	62,189	78,849	78,614
Unsecured - Locally Assessed.....	-	413	552
Total Exemptions.....	62,189	79,262	79,166
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,027,985	893,788	848,407
Public Utilities - State Assessed.....	3,465	1,862	2,181
Net Secured.....	1,031,450	895,650	850,588
Unsecured - Locally Assessed.....	64,243	17,509	21,741
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,095,693</b>	<b>\$ 913,159</b>	<b>\$ 872,329</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		(182,534)	(223,364)
Percentage Increase (Decrease) Over Base Year.....		-16.66%	-20.39%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 714	\$ 805	\$ 812
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	714	805	812
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,027,271	892,983	847,595
Public Utilities - State Assessed.....	3,465	1,862	2,181
Net Secured.....	1,030,736	894,845	849,776
Unsecured - Locally Assessed.....	64,243	17,509	21,741
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,094,979</b>	<b>\$ 912,354</b>	<b>\$ 871,517</b>



1996-97	Revised Base Year 1992-93	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 906,105 2,521	\$ 1,088,721 3,464	\$ 917,921 2,747	\$ 984,645 3,855	\$ 1,125,712 4,094	\$ 1,290,546 4,177	\$ 1,467,297 -	\$ 1,679,241 3,856
908,626 17,593	1,092,185 64,244	920,668 20,602	988,500 56,892	1,129,806 74,362	1,294,723 87,258	1,467,297 93,294	1,683,097 99,582
926,219	1,156,429	941,270	1,045,392	1,204,168	1,381,981	1,560,591	1,782,679
87,884 97	62,019 -	90,800 987	87,662 4,637	94,089 6,129	104,469 6,919	100,954 9,403	104,775 1,074
87,981	62,019	91,787	92,299	100,218	111,388	110,357	105,849
818,221 2,521	1,026,702 3,464	827,121 2,747	896,983 3,855	1,031,623 4,094	1,186,077 4,177	1,366,343 -	1,574,466 3,856
820,742 17,496	1,030,166 64,244	829,868 19,615	900,838 52,255	1,035,717 68,233	1,190,254 80,339	1,366,343 83,891	1,578,322 98,508
\$ 838,238	\$ 1,094,410	\$ 849,483	\$ 953,093	\$ 1,103,950	\$ 1,270,593	\$ 1,450,234	\$ 1,676,830
(257,455)		(244,927)	(141,317)	9,540	176,183	355,824	582,420
-23.50%		-22.38%	-12.91%	0.87%	16.10%	32.51%	53.22%
\$ 902 -	\$ 714 -	\$ 980 -	\$ 1,077 -	\$ 1,182 -	\$ 1,133 -	\$ 1,133 61	\$ 1,248 -
902	714	980	1,077	1,182	1,133	1,194	1,248
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
817,319 2,521	1,025,988 3,464	826,141 2,747	895,906 3,855	1,030,441 4,094	1,184,944 4,177	1,365,210 -	1,573,218 3,856
819,840 17,496	1,029,452 64,244	828,888 19,615	899,761 52,255	1,034,535 68,233	1,189,121 80,339	1,365,210 83,830	1,577,074 98,508
\$ 837,336	\$ 1,093,696	\$ 848,503	\$ 952,016	\$ 1,102,768	\$ 1,269,460	\$ 1,449,040	\$ 1,675,582

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**CENTRE CITY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 2,082,010	\$ 2,668,045	\$ 3,806,788
Public Utilities - State Assessed.....	4,894	6,958	7,017
Total Secured Valuation.....	2,086,904	2,675,003	3,813,805
Unsecured - Locally Assessed.....	130,423	112,963	147,482
Total Gross Valuation.....	<u>2,217,327</u>	<u>2,787,966</u>	<u>3,961,287</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	106,992	133,719	162,778
Unsecured - Locally Assessed.....	7,810	8,997	9,460
Total Exemptions.....	<u>114,802</u>	<u>142,716</u>	<u>172,238</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,975,018	2,534,326	3,644,010
Public Utilities - State Assessed.....	4,894	6,958	7,017
Net Secured.....	1,979,912	2,541,284	3,651,027
Unsecured - Locally Assessed.....	122,613	103,966	138,022
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 2,102,525</u></b>	<b><u>\$ 2,645,250</u></b>	<b><u>\$ 3,789,049</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	1,008,115	1,550,840	2,694,639
Percentage Increase (Decrease) Over Base Year.....	92.11%	141.71%	246.22%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,351	\$ 2,794	\$ 2,794
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	<u>1,351</u>	<u>2,794</u>	<u>2,794</u>
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,973,667	2,531,532	3,641,216
Public Utilities - State Assessed.....	4,894	6,958	7,017
Net Secured.....	1,978,561	2,538,490	3,648,233
Unsecured - Locally Assessed.....	122,613	103,966	138,022
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 2,101,174</u></b>	<b><u>\$ 2,642,456</u></b>	<b><u>\$ 3,786,255</u></b>

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**CENTRE CITY REDEVELOPMENT PROJECT - COLUMBIA SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	Base Year 1976-77	1995-96	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 19,715	\$ 454,634	\$ 431,513
Public Utilities - State Assessed.....	17,131	1,550	1,473
	<u>36,846</u>	<u>456,184</u>	<u>432,986</u>
Total Secured Valuation.....			
Unsecured - Locally Assessed.....	18,870	57,303	53,503
	<u>55,716</u>	<u>513,487</u>	<u>486,489</u>
Total Gross Valuation.....			
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	1,507	3,521	3,558
Unsecured - Locally Assessed.....	-	157	22
	<u>1,507</u>	<u>3,678</u>	<u>3,580</u>
Total Exemptions.....			
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	18,208	451,113	427,955
Public Utilities - State Assessed.....	17,131	1,550	1,473
	<u>35,339</u>	<u>452,663</u>	<u>429,428</u>
Net Secured.....			
Unsecured - Locally Assessed.....	18,870	57,146	53,481
	<u>\$ 54,209</u>	<u>\$ 509,809</u>	<u>\$ 482,909</u>
NET ASSESSED VALUATION FOR TAX RATE.....			
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		455,600	428,700
Percentage Increase (Decrease) Over Base Year.....		840.45%	790.83%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 839	\$ 802
Unsecured - Locally Assessed.....	-	-	-
	<u>-</u>	<u>839</u>	<u>802</u>
Total Homeowners' Exemptions.....			
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	178	-	-
Unsecured - Locally Assessed.....	1,602	-	-
	<u>1,780</u>	<u>-</u>	<u>-</u>
Total Business Inventory Exemptions.....			
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	18,030	450,274	427,153
Public Utilities - State Assessed.....	17,131	1,550	1,473
	<u>35,161</u>	<u>451,824</u>	<u>428,626</u>
Net Secured.....			
Unsecured - Locally Assessed.....	17,268	57,146	53,481
	<u>\$ 52,429</u>	<u>\$ 508,970</u>	<u>\$ 482,107</u>
NET ASSESSED VALUATION.....			

Revised Base Year 1976-77	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
\$ 18,554 17,131	\$ 437,849 1,518	\$ 18,553 1,038	\$ 519,344 1,742	\$ 563,347 1,906	\$ 602,524 1,923	\$ 643,416 -	\$ 718,080 1,858	\$ 940,867 1,758
35,685 18,870	439,367 57,458	19,591 18,870	521,086 47,267	565,253 52,096	604,447 57,950	643,416 61,602	719,938 67,298	942,625 72,711
54,555	496,825	38,461	568,353	617,349	662,397	705,018	787,236	1,015,336
1,507 -	1,993 253	1,507 -	387 281	2,191 401	2,229 531	2,051 593	2,122 -	2,163 653
1,507	2,246	1,507	668	2,592	2,760	2,644	2,122	2,816
17,047 17,131	435,856 1,518	17,046 1,038	518,957 1,742	561,156 1,906	600,295 1,923	641,365 -	715,958 1,858	938,704 1,758
34,178 18,870	437,374 57,205	18,084 18,870	520,699 46,986	563,062 51,695	602,218 57,419	641,365 61,009	717,816 67,298	940,462 72,058
\$ 53,048	\$ 494,579	\$ 36,954	\$ 567,685	\$ 614,757	\$ 659,637	\$ 702,374	\$ 785,114	\$ 1,012,520
	441,531		530,731	577,803	622,683	665,420	748,160	975,566
	832.32%		1436.19%	1563.57%	1685.02%	1800.67%	2024.57%	2639.95%
\$ - -	\$ 860 -	\$ - -	\$ 868 -	\$ 927 -	\$ 966 -	\$ 966 -	\$ 987 -	\$ 930 -
-	860	-	868	927	966	966	987	930
178 1,602	- -	178 1,602	- -	- -	- -	- -	- -	- -
1,780	-	1,780	-	-	-	-	-	-
16,869 17,131	434,996 1,518	16,868 1,038	518,089 1,742	560,229 1,906	599,329 1,923	640,399 -	714,971 1,858	937,774 1,758
34,000 17,268	436,514 57,205	17,906 17,268	519,831 46,986	562,135 51,695	601,252 57,419	640,399 61,009	716,829 67,298	939,532 72,058
\$ 51,268	\$ 493,719	\$ 35,174	\$ 566,817	\$ 613,830	\$ 658,671	\$ 701,408	\$ 784,127	\$ 1,011,590

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**CENTRE CITY REDEVELOPMENT PROJECT - COLUMBIA SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE,**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	Revised Base Year 1976-77	2004-05	2005-06
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 18,553	\$ 1,176,861	\$ 1,508,713
Public Utilities - State Assessed.....	1,038	602	614
Total Secured Valuation.....	19,591	1,177,463	1,509,327
Unsecured - Locally Assessed.....	18,870	58,706	62,612
Total Gross Valuation.....	38,461	1,236,169	1,571,939
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	1,507	312	10,878
Unsecured - Locally Assessed.....	0	795	966
Total Exemptions.....	1,507	1,107	11,844
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	17,046	1,176,549	1,497,835
Public Utilities - State Assessed.....	1,038	602	614
Net Secured.....	18,084	1,177,151	1,498,449
Unsecured - Locally Assessed.....	18,870	57,911	61,646
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 36,954</b>	<b>\$ 1,235,062</b>	<b>\$ 1,560,095</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		1,198,108	1,523,141
Percentage Increase (Decrease) Over Base Year.....		3242.16%	4121.72%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 980	\$ 980
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	980	980
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	17,046	1,175,569	1,496,855
Public Utilities - State Assessed.....	1,038	602	614
Net Secured.....	18,084	1,176,171	1,497,469
Unsecured - Locally Assessed.....	18,870	57,911	61,646
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 36,954</b>	<b>\$ 1,234,082</b>	<b>\$ 1,559,115</b>

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**CENTRE CITY REDEVELOPMENT PROJECT - GASLAMP SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1982-83)**

	Base Year 1982-83	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 31,114	\$ 80,408	\$ 84,131
Public Utilities - State Assessed.....	1,733	19	24
Total Secured Valuation.....	32,847	80,427	84,155
Unsecured - Locally Assessed.....	2,306	6,633	5,937
Total Gross Valuation.....	35,153	87,060	90,092
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	1,047	1,355	1,365
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	1,047	1,355	1,365
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	30,067	79,053	82,766
Public Utilities - State Assessed.....	1,733	19	24
Net Secured.....	31,800	79,072	82,790
Unsecured - Locally Assessed.....	2,306	6,633	5,937
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 34,106</b>	<b>\$ 85,705</b>	<b>\$ 88,727</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		51,599	54,621
Percentage Increase (Decrease) Over Base Year.....		151.29%	160.15%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ 7
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	7
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	30,067	79,053	82,759
Public Utilities - State Assessed.....	1,733	19	24
Net Secured.....	31,800	79,072	82,783
Unsecured - Locally Assessed.....	2,306	6,633	5,937
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 34,106</b>	<b>\$ 85,705</b>	<b>\$ 88,720</b>



1996-97	1997-98	Revised Base Year 1982-83	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 100,504 26	\$ 105,400 29	\$ 31,114 61	\$ 126,908 42	\$ 160,567 45	\$ 214,793 46	\$ 233,212 -	\$ 249,340 43
100,530 7,048	105,429 8,446	31,175 2,306	126,950 11,987	160,612 13,202	214,839 17,680	233,212 19,390	249,383 23,833
107,578	113,875	33,481	138,937	173,814	232,519	252,602	273,216
1,644 -	1,631 -	1,047 -	1,634 6	- 10	291 8	297 24	303 -
1,644	1,631	1,047	1,640	10	299	321	303
98,860 26	103,769 29	30,067 61	125,274 42	160,567 45	214,502 46	232,915 -	249,037 43
98,886 7,048	103,798 8,446	30,128 2,306	125,316 11,981	160,612 13,192	214,548 17,672	232,915 19,366	249,080 23,833
\$ 105,934	\$ 112,244	\$ 32,434	\$ 137,297	\$ 173,804	\$ 232,220	\$ 252,281	\$ 272,913
71,828	78,138		104,863	141,370	199,786	219,847	240,479
210.60%	229.10%		323.31%	435.87%	615.98%	677.83%	741.44%
\$ 7 -	\$ 7 -	\$ - -	\$ - -	\$ 7 -	\$ 7 -	\$ 7 -	\$ 7 -
7	7	-	-	7	7	7	7
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
98,853 26	103,762 29	30,067 61	125,274 42	160,560 45	214,495 46	232,908 -	249,030 43
98,879 7,048	103,791 8,446	30,128 2,306	125,316 11,981	160,605 13,192	214,541 17,672	232,908 19,366	249,073 23,833
\$ 105,927	\$ 112,237	\$ 32,434	\$ 137,297	\$ 173,797	\$ 232,213	\$ 252,274	\$ 272,906

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**CENTRE CITY REDEVELOPMENT PROJECT - GASLAMP SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1982-83)**

	2003-04	2004-05	2005-06
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 275,444	\$ 309,366	\$ 418,867
Public Utilities - State Assessed.....	37	35	36
Total Secured Valuation.....	275,481	309,401	418,903
Unsecured - Locally Assessed.....	28,715	28,301	32,268
Total Gross Valuation.....	304,196	337,702	451,171
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	309	315	321
Unsecured - Locally Assessed.....	8	35	58
Total Exemptions.....	317	350	379
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	275,135	309,051	418,546
Public Utilities - State Assessed.....	37	35	36
Net Secured.....	275,172	309,086	418,582
Unsecured - Locally Assessed.....	28,707	28,266	32,210
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 303,879</b>	<b>\$ 337,352</b>	<b>\$ 450,792</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	271,445	304,918	418,358
Percentage Increase (Decrease) Over Base Year.....	836.91%	940.12%	1289.87%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 7	\$ 7	\$ 7
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	7	7	7
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	275,128	309,044	418,539
Public Utilities - State Assessed.....	37	35	36
Net Secured.....	275,165	309,079	418,575
Unsecured - Locally Assessed.....	28,707	28,266	32,210
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 303,872</b>	<b>\$ 337,345</b>	<b>\$ 450,785</b>

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**CENTRE CITY REDEVELOPMENT PROJECT - MARINA SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	Base Year 1976-77	1995-96	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 10,503	\$ 721,610	\$ 708,839
Public Utilities - State Assessed.....	2,672	1,085	475
Total Secured Valuation.....	13,175	722,695	709,314
Unsecured - Locally Assessed.....	6,475	57,602	59,865
Total Gross Valuation.....	19,650	780,297	769,179
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	142	20,114	18,771
Unsecured - Locally Assessed.....	-	322	-
Total Exemptions.....	142	20,436	18,771
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	10,361	701,496	690,068
Public Utilities - State Assessed.....	2,672	1,085	475
Net Secured.....	13,033	702,581	690,543
Unsecured - Locally Assessed.....	6,475	57,280	59,865
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 19,508</b>	<b>\$ 759,861</b>	<b>\$ 750,408</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		740,353	730,900
Percentage Increase (Decrease) Over Base Year.....		3795.13%	3746.67%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 1,477	\$ 1,560
Unsecured - Locally Assessed.....	-	49	95
Total Homeowners' Exemptions.....	-	1,526	1,655
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	212	-	-
Unsecured - Locally Assessed.....	1,539	-	-
Total Business Inventory Exemptions.....	1,751	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	10,149	700,019	688,508
Public Utilities - State Assessed.....	2,672	1,085	475
Net Secured.....	12,821	701,104	688,983
Unsecured - Locally Assessed.....	4,936	57,231	59,770
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 17,757</b>	<b>\$ 758,335</b>	<b>\$ 748,753</b>

Revised Base Year 1976-77	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 9,814 2,672	\$ 721,827 353	\$ 9,814 964	\$ 758,292 501	\$ 816,598 534	\$ 873,181 544	\$ 1,078,100 -	\$ 1,267,073 502
12,486 6,475	722,180 59,208	10,778 6,475	758,793 64,822	817,132 60,580	873,725 66,559	1,078,100 69,427	1,267,575 72,613
18,961	781,388	17,253	823,615	877,712	940,284	1,147,527	1,340,188
143 -	19,397 -	143 -	19,782 97	20,400 88	20,558 88	22,941 3,553	23,137 2,573
143	19,397	143	19,879	20,488	20,646	26,494	25,710
9,671 2,672	702,430 353	9,671 964	738,510 501	796,198 534	852,623 544	1,055,159 -	1,243,936 502
12,343 6,475	702,783 59,208	10,635 6,475	739,011 64,725	796,732 60,492	853,167 66,471	1,055,159 65,874	1,244,438 70,040
\$ 18,818	\$ 761,991	\$ 17,110	\$ 803,736	\$ 857,224	\$ 919,638	\$ 1,121,033	\$ 1,314,478
	743,173		786,626	840,114	902,528	1,103,923	1,297,368
	3949.27%		4597.46%	4910.08%	5274.86%	6451.92%	7582.51%
\$ 867 -	\$ 1,792 95	\$ 867 -	\$ 2,001 -	\$ 2,351 -	\$ 2,280 116	\$ 2,280 116	\$ 2,834 -
867	1,887	867	2,001	2,351	2,396	2,396	2,834
- -	- -	- -	- -	- -	- -	- -	- -
-	-	-	-	-	-	-	-
8,804 2,672	700,638 353	8,804 964	736,509 501	793,847 534	850,343 544	1,052,879 -	1,241,102 502
11,476 6,475	700,991 59,113	9,768 6,475	737,010 64,725	794,381 60,492	850,887 66,355	1,052,879 65,758	1,241,604 70,040
\$ 17,951	\$ 760,104	\$ 16,243	\$ 801,735	\$ 854,873	\$ 917,242	\$ 1,118,637	\$ 1,311,644

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**CENTRE CITY REDEVELOPMENT PROJECT - MARINA SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,571,302	\$ 1,913,850	\$ 2,115,535
Public Utilities - State Assessed.....	437	417	426
Total Secured Valuation.....	1,571,739	1,914,267	2,115,961
Unsecured - Locally Assessed.....	72,640	69,964	81,890
Total Gross Valuation.....	<u>1,644,379</u>	<u>1,984,231</u>	<u>2,197,851</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	23,802	25,327	25,915
Unsecured - Locally Assessed.....	4,279	4,153	4,479
Total Exemptions.....	<u>28,081</u>	<u>29,480</u>	<u>30,394</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,547,500	1,888,523	2,089,620
Public Utilities - State Assessed.....	437	417	426
Net Secured.....	1,547,937	1,888,940	2,090,046
Unsecured - Locally Assessed.....	68,361	65,811	77,411
NET ASSESSED VALUATION FOR TAX RATE.....	<u>\$ 1,616,298</u>	<u>\$ 1,954,751</u>	<u>\$ 2,167,457</u>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	1,599,188	1,937,641	2,150,347
Percentage Increase (Decrease) Over Base Year.....	9346.51%	11324.61%	12567.78%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 3,910	\$ 4,778	\$ 4,778
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	<u>3,910</u>	<u>4,778</u>	<u>4,778</u>
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,543,590	1,883,745	2,084,842
Public Utilities - State Assessed.....	437	417	426
Net Secured.....	1,544,027	1,884,162	2,085,268
Unsecured - Locally Assessed.....	68,361	65,811	77,411
NET ASSESSED VALUATION.....	<u>\$ 1,612,388</u>	<u>\$ 1,949,973</u>	<u>\$ 2,162,679</u>

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**CITY HEIGHTS REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2005-06 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	Base Year 1992-93	Revised Base Year 1992-93	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,221,895	\$ 1,214,987	\$ 1,116,612
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	1,221,895	1,214,987	1,116,612
Unsecured - Locally Assessed.....	20,926	20,926	15,508
Total Gross Valuation.....	1,242,821	1,235,913	1,132,120
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	25,677	25,064	25,816
Unsecured - Locally Assessed.....	-	-	41
Total Exemptions.....	25,677	25,064	25,857
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,196,218	1,189,923	1,090,796
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	1,196,218	1,189,923	1,090,796
Unsecured - Locally Assessed.....	20,926	20,926	15,467
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,217,144</b>	<b>\$ 1,210,849</b>	<b>\$ 1,106,263</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....			(104,586)
Percentage Increase (Decrease) Over Base Year.....			-8.64%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 19,985	\$ 19,674
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	19,985	19,674
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,196,218	1,169,938	1,071,122
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	1,196,218	1,169,938	1,071,122
Unsecured - Locally Assessed.....	20,926	20,926	15,467
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,217,144</b>	<b>\$ 1,190,864</b>	<b>\$ 1,086,589</b>



Revised Base Year 1992-93	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 1,034,935	\$ 1,000,884	\$ 1,027,567	\$ 1,010,076	\$ 1,045,685	\$ 1,118,357	\$ 1,227,363	\$ 1,371,384
-	-	-	-	-	-	-	-
1,034,935	1,000,884	1,027,567	1,010,076	1,045,685	1,118,357	1,227,363	1,371,384
20,926	14,297	20,926	17,330	17,759	18,869	18,078	21,608
1,055,861	1,015,181	1,048,493	1,027,406	1,063,444	1,137,226	1,245,441	1,392,992
25,064	26,792	25,064	27,331	31,489	43,087	44,494	49,928
-	166	-	199	544	574	909	122
25,064	26,958	25,064	27,530	32,033	43,661	45,403	50,050
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869	1,321,456
-	-	-	-	-	-	-	-
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869	1,321,456
20,926	14,131	20,926	17,131	17,215	18,295	17,169	21,486
\$ 1,030,797	\$ 988,223	\$ 1,023,429	\$ 999,876	\$ 1,031,411	\$ 1,093,565	\$ 1,200,038	\$ 1,342,942
	(42,574)		(23,553)	7,982	70,136	176,609	319,513
	-4.13%		-2.30%	0.78%	6.85%	17.26%	31.22%
\$ 19,985	\$ 19,421	\$ 19,985	\$ 19,127	\$ 19,734	\$ 19,838	\$ 19,838	\$ 20,689
-	-	-	-	-	-	-	-
19,985	19,421	19,985	19,127	19,734	19,838	19,838	20,689
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
989,886	954,671	982,518	963,618	994,462	1,055,432	1,163,031	1,300,767
-	-	-	-	-	-	-	-
989,886	954,671	982,518	963,618	994,462	1,055,432	1,163,031	1,300,767
20,926	14,131	20,926	17,131	17,215	18,295	17,169	21,486
\$ 1,010,812	\$ 968,802	\$ 1,003,444	\$ 980,749	\$ 1,011,677	\$ 1,073,727	\$ 1,180,200	\$ 1,322,253

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**CITY HEIGHTS REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2005-06 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	2003-04	Revised Base Year 1992-93	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,536,318	\$ 1,013,800	\$ 1,744,652
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	1,536,318	1,013,800	1,744,652
Unsecured - Locally Assessed.....	27,638	20,926	26,310
Total Gross Valuation.....	1,563,956	1,034,726	1,770,962
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	59,297	24,921	72,663
Unsecured - Locally Assessed.....	801	-	1,016
Total Exemptions.....	60,098	24,921	73,679
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,477,021	988,879	1,671,989
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	1,477,021	988,879	1,671,989
Unsecured - Locally Assessed.....	26,837	20,926	25,294
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,503,858</b>	<b>\$ 1,009,805</b>	<b>\$ 1,697,283</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	480,429		687,478
Percentage Increase (Decrease) Over Base Year.....	46.94%		68.08%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 21,143	\$ 19,985	\$ 21,707
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	21,143	19,985	21,707
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,455,878	968,894	1,650,282
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	1,455,878	968,894	1,650,282
Unsecured - Locally Assessed.....	26,837	20,926	25,294
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,482,715</b>	<b>\$ 989,820</b>	<b>\$ 1,675,576</b>

Revised Base Year 1992-93	2005-06
\$ 1,009,880	\$ 1,989,379
<u>-</u>	<u>-</u>
1,009,880	1,989,379
<u>20,926</u>	<u>31,585</u>
<u>1,030,806</u>	<u>2,020,964</u>
24,921	78,153
<u>-</u>	<u>3,554</u>
<u>24,921</u>	<u>81,707</u>
984,959	1,911,226
<u>-</u>	<u>-</u>
984,959	1,911,226
<u>20,926</u>	<u>28,031</u>
<u>\$ 1,005,885</u>	<u>\$ 1,939,257</u>
	929,452
	92.04%
\$ 19,985	\$ 21,707
<u>-</u>	<u>-</u>
<u>19,985</u>	<u>21,707</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
964,974	1,889,519
<u>-</u>	<u>-</u>
964,974	1,889,519
<u>20,926</u>	<u>28,031</u>
<u>\$ 985,900</u>	<u>\$ 1,917,550</u>

**COLLEGE COMMUNITY REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1993-94)  
 (UNAUDITED)**

	Base Year 1993-94	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 56,366	\$ 60,304	\$ 59,183
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	56,366	60,304	59,183
Unsecured - Locally Assessed.....	3,033	2,899	2,583
Total Gross Valuation.....	59,399	63,203	61,766
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	10,367	11,029	10,723
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	10,367	11,029	10,723
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	45,999	49,275	48,460
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	45,999	49,275	48,460
Unsecured - Locally Assessed.....	3,033	2,899	2,583
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 49,032</b>	<b>\$ 52,174</b>	<b>\$ 51,043</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		3,142	2,011
Percentage Increase (Decrease) Over Base Year.....		6.41%	4.10%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 14	\$ 14	\$ 14
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	14	14	14
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	45,985	49,261	48,446
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	45,985	49,261	48,446
Unsecured - Locally Assessed.....	3,033	2,899	2,583
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 49,018</b>	<b>\$ 52,160</b>	<b>\$ 51,029</b>

1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
\$ 58,730	\$ 59,540	\$ 65,343	\$ 69,023	\$ 77,392	\$ 101,104	\$ 106,774	\$ 123,054
-	-	-	-	-	-	-	-
58,730	59,540	65,343	69,023	77,392	101,104	106,774	123,054
2,447	3,053	5,809	4,950	10,019	10,329	3,779	5,069
61,177	62,593	71,152	73,973	87,411	111,433	110,553	128,123
11,972	11,778	10,997	11,440	21,149	23,021	43,610	57,296
-	1,114	309	1,542	4,847	5,455	-	203
11,972	12,892	11,306	12,982	25,996	28,476	43,610	57,499
46,758	47,762	54,346	57,583	56,243	78,083	63,164	65,758
-	-	-	-	-	-	-	-
46,758	47,762	54,346	57,583	56,243	78,083	63,164	65,758
2,447	1,939	5,500	3,408	5,172	4,874	3,779	4,866
\$ 49,205	\$ 49,701	\$ 59,846	\$ 60,991	\$ 61,415	\$ 82,957	\$ 66,943	\$ 70,624
173	669	10,814	11,959	12,383	33,925	17,911	21,592
0.35%	1.36%	22.05%	24.39%	25.25%	69.19%	36.53%	44.04%
\$ 14	\$ 14	\$ 14	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21
-	-	-	-	-	-	-	-
14	14	14	21	21	21	21	21
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
46,744	47,748	54,332	57,562	56,222	78,062	63,143	65,737
-	-	-	-	-	-	-	-
46,744	47,748	54,332	57,562	56,222	78,062	63,143	65,737
2,447	1,939	5,500	3,408	5,172	4,874	3,779	4,866
\$ 49,191	\$ 49,687	\$ 59,832	\$ 60,970	\$ 61,394	\$ 82,936	\$ 66,922	\$ 70,603

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**COLLEGE COMMUNITY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1993-94)**  
**(UNAUDITED)**

	2004-05	2005-06
<b><u>GROSS</u></b>		
Secured - Locally Assessed.....	\$ 127,995	\$ 138,085
Public Utilities - State Assessed.....	-	-
Total Secured Valuation.....	127,995	138,085
Unsecured - Locally Assessed.....	3,853	5,196
Total Gross Valuation.....	131,848	143,281
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>		
Secured - Locally Assessed.....	59,194	59,461
Unsecured - Locally Assessed.....	110	511
Total Exemptions.....	59,304	59,972
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>		
Secured - Locally Assessed.....	68,801	78,624
Public Utilities - State Assessed.....	-	-
Net Secured.....	68,801	78,624
Unsecured - Locally Assessed.....	3,743	4,685
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 72,544	\$ 83,309
<b><u>INCREMENT</u></b>		
Net Assessed Valuation Increase (Decrease) Over Base Year.....	23,512	34,277
Percentage Increase (Decrease) Over Base Year.....	47.95%	69.91%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>		
Secured - Locally Assessed.....	\$ 14	\$ 14
Unsecured - Locally Assessed.....	-	-
Total Homeowners' Exemptions.....	14	14
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>		
Secured - Locally Assessed.....	-	-
Unsecured - Locally Assessed.....	-	-
Total Business Inventory Exemptions.....	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>		
Secured - Locally Assessed.....	68,787	78,610
Public Utilities - State Assessed.....	-	-
Net Secured.....	68,787	78,610
Unsecured - Locally Assessed.....	3,743	4,685
NET ASSESSED VALUATION.....	\$ 72,530	\$ 83,295

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**COLLEGE GROVE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	Base Year 1986-87	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 17,135	\$ 32,969	\$ 27,115
Public Utilities - State Assessed.....	292	-	-
Total Secured Valuation.....	17,427	32,969	27,115
Unsecured - Locally Assessed.....	2,510	5,097	3,450
Total Gross Valuation.....	19,937	38,066	30,565
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	2	2
Total Exemptions.....	-	2	2
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	17,135	32,969	27,115
Public Utilities - State Assessed.....	292	-	-
Net Secured.....	17,427	32,969	27,115
Unsecured - Locally Assessed.....	2,510	5,095	3,448
NET ASSESSED VALUATION FOR TAX RATE.....	19,937	38,064	30,563
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		18,127	10,626
Percentage Increase (Decrease) Over Base Year.....		90.92%	53.30%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	17,135	32,969	27,115
Public Utilities - State Assessed.....	292	-	-
Net Secured.....	17,427	32,969	27,115
Unsecured - Locally Assessed.....	2,510	5,095	3,448
NET ASSESSED VALUATION.....	\$ 19,937	\$ 38,064	\$ 30,563



1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 26,283	\$ 26,507	\$ 17,135	\$ 26,846	\$ 25,176	\$ 53,271	\$ 61,376	\$ 62,738
-	-	14	-	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376	62,738
2,692	3,158	2,510	2,705	1,669	2,851	6,879	8,505
28,975	29,665	19,659	29,551	26,845	56,122	68,255	71,243
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376	62,738
-	-	14	-	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376	62,738
2,692	3,158	2,510	2,705	1,669	2,851	6,879	8,505
28,975	29,665	19,659	29,551	26,845	56,122	68,255	71,243
9,038	9,728		9,892	7,186	36,463	48,596	51,584
45.33%	48.79%		50.32%	36.55%	185.48%	247.19%	262.39%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376	62,738
-	-	14	-	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376	62,738
2,692	3,158	2,510	2,705	1,669	2,851	6,879	8,505
\$ 28,975	\$ 29,665	\$ 19,659	\$ 29,551	\$ 26,845	\$ 56,122	\$ 68,255	\$ 71,243

Continued on next page

**COLLEGE GROVE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 61,096	\$ 82,062	\$ 85,793
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	61,096	82,062	85,793
Unsecured - Locally Assessed.....	6,197	8,525	9,832
Total Gross Valuation.....	<u>67,293</u>	<u>90,587</u>	<u>95,625</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	61,096	82,062	85,793
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	61,096	82,062	85,793
Unsecured - Locally Assessed.....	6,197	8,525	9,832
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>67,293</u></b>	<b><u>90,587</u></b>	<b><u>95,625</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	47,634	70,928	75,966
Percentage Increase (Decrease) Over Base Year.....	242.30%	360.79%	386.42%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	61,096	82,062	85,793
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	61,096	82,062	85,793
Unsecured - Locally Assessed.....	6,197	8,525	9,832
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 67,293</u></b>	<b><u>\$ 90,587</u></b>	<b><u>\$ 95,625</u></b>

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**CROSSROADS REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 2002-2003 TO 2005-06 (BASE YEAR 2002-2003)  
 (UNAUDITED)**

	Base Year 2002-2003	2004-05	2005-06
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 530,192	\$ 638,610	\$ 743,762
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	530,192	638,610	743,762
Unsecured - Locally Assessed.....	24,811	22,662	28,847
Total Gross Valuation.....	555,003	661,272	772,609
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	35,700	42,163	42,528
Unsecured - Locally Assessed.....	475	862	1,176
Total Exemptions.....	36,175	43,025	43,704
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	494,492	596,447	701,234
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	494,492	596,447	701,234
Unsecured - Locally Assessed.....	24,336	21,800	27,671
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 518,828	\$ 618,247	\$ 728,905
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		99,419	210,077
Percentage Increase (Decrease) Over Base Year.....		19.16%	40.49%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	494,492	596,447	701,234
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	494,492	596,447	701,234
Unsecured - Locally Assessed.....	24,336	21,800	27,671
NET ASSESSED VALUATION.....	\$ 518,828	\$ 618,247	\$ 728,905

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**GATEWAY CENTER WEST REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	Base Year 1976-77	1995-96	Revised Base Year 1976-77
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 3,306	\$ 22,547	\$ 3,301
Public Utilities - State Assessed.....	1,841	-	1,841
 Total Secured Valuation.....	 5,147	 22,547	 5,142
Unsecured - Locally Assessed.....	454	1,424	454
 Total Gross Valuation.....	 5,601	 23,971	 5,596
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	87	3,612	87
Unsecured - Locally Assessed.....	-	135	-
 Total Exemptions.....	 87	 3,747	 87
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	3,219	18,935	3,214
Public Utilities - State Assessed.....	1,841	-	1,841
 Net Secured.....	 5,060	 18,935	 5,055
Unsecured - Locally Assessed.....	454	1,289	454
 <b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	 <b>\$ 5,514</b>	 <b>\$ 20,224</b>	 <b>\$ 5,509</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		14,710	
Percentage Increase (Decrease) Over Base Year.....		266.78%	
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 189	\$ 63	\$ 189
Unsecured - Locally Assessed.....	-	-	-
 Total Homeowners' Exemptions.....	 189	 63	 189
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	54	-	-
Unsecured - Locally Assessed.....	80	-	-
 Total Business Inventory Exemptions.....	 134	 -	 -
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	2,976	18,872	3,025
Public Utilities - State Assessed.....	1,841	-	1,841
 Net Secured.....	 4,817	 18,872	 4,866
Unsecured - Locally Assessed.....	374	1,289	454
 <b>NET ASSESSED VALUATION.....</b>	 <b>\$ 5,191</b>	 <b>\$ 20,161</b>	 <b>\$ 5,320</b>

1996-97	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 20,915	\$ 22,079	\$ 3,302	\$ 22,008	\$ 22,412	\$ 22,100	\$ 24,462	\$ 25,654
-	-	-	-	-	-	-	-
20,915	22,079	3,302	22,008	22,412	22,100	24,462	25,654
4,096	2,719	454	2,417	2,066	3,005	4,471	3,898
25,011	24,798	3,756	24,425	24,478	25,105	28,933	29,552
4,912	5,010	87	5,111	5,205	5,309	5,415	5,524
-	201	-	118	109	165	186	-
4,912	5,211	87	5,229	5,314	5,474	5,601	5,524
16,003	17,069	3,215	16,897	17,207	16,791	19,047	20,130
-	-	-	-	-	-	-	-
16,003	17,069	3,215	16,897	17,207	16,791	19,047	20,130
4,096	2,518	454	2,299	1,957	2,840	4,285	3,898
\$ 20,099	\$ 19,587	\$ 3,669	\$ 19,196	\$ 19,164	\$ 19,631	\$ 23,332	\$ 24,028
14,590	14,078		15,527	15,495	15,962	19,663	20,359
264.84%	255.55%		423.19%	422.32%	435.05%	535.92%	554.89%
\$ 63	\$ 70	\$ 189	\$ 70	\$ 70	\$ 70	\$ 70	\$ 56
-	-	-	-	-	-	-	-
63	70	189	70	70	70	70	56
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,977	20,074
-	-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,977	20,074
4,096	2,518	454	2,299	1,957	2,840	4,285	3,898
\$ 20,036	\$ 19,517	\$ 3,480	\$ 19,126	\$ 19,094	\$ 19,561	\$ 23,262	\$ 23,972

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**GATEWAY CENTER WEST REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 27,585	\$ 28,969	\$ 29,987
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	27,585	28,969	29,987
Unsecured - Locally Assessed.....	3,746	3,755	4,413
Total Gross Valuation.....	<u>31,331</u>	<u>32,724</u>	<u>34,400</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	5,634	5,739	5,854
Unsecured - Locally Assessed.....	177	162	175
Total Exemptions.....	<u>5,811</u>	<u>5,901</u>	<u>6,029</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	21,951	23,230	24,133
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	21,951	23,230	24,133
Unsecured - Locally Assessed.....	3,569	3,593	4,238
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 25,520</u></b>	<b><u>\$ 26,823</u></b>	<b><u>\$ 28,371</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	21,851	23,154	24,702
Percentage Increase (Decrease) Over Base Year.....	595.56%	631.07%	673.26%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 56	\$ 63	\$ 63
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	<u>56</u>	<u>63</u>	<u>63</u>
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	21,895	23,167	24,070
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	21,895	23,167	24,070
Unsecured - Locally Assessed.....	3,569	3,593	4,238
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 25,464</u></b>	<b><u>\$ 26,760</u></b>	<b><u>\$ 28,308</u></b>



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**HORTON PLAZA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	Base Year 1972-73	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 15,718	\$ 410,939	\$ 354,750
Public Utilities - State Assessed.....	1,374	-	-
Total Secured Valuation.....	17,092	410,939	354,750
Unsecured - Locally Assessed.....	2,202	27,953	23,628
Total Gross Valuation.....	19,294	438,892	378,378
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	522	-	-
Unsecured - Locally Assessed.....	-	608	660
Total Exemptions.....	522	608	660
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	15,196	410,939	354,750
Public Utilities - State Assessed.....	1,374	-	-
Net Secured.....	16,570	410,939	354,750
Unsecured - Locally Assessed.....	2,202	27,345	22,968
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 18,772</b>	<b>\$ 438,284</b>	<b>\$ 377,718</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		419,512	358,946
Percentage Increase (Decrease) Over Base Year.....		2234.78%	1912.14%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 609	\$ 595
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	609	595
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	307	-	-
Total Business Inventory Exemptions.....	307	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	15,196	410,330	354,155
Public Utilities - State Assessed.....	1,374	-	-
Net Secured.....	16,570	410,330	354,155
Unsecured - Locally Assessed.....	1,895	27,345	22,968
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 18,465</b>	<b>\$ 437,675</b>	<b>\$ 377,123</b>

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 346,766	\$ 364,213	\$ 15,718	\$ 373,433	\$ 455,518	\$ 473,520	\$ 500,728	\$ 522,112
-	-	3	-	-	-	-	-
346,766	364,213	15,721	373,433	455,518	473,520	500,728	522,112
25,055	26,626	2,203	28,495	43,981	46,557	44,642	59,284
<u>371,821</u>	<u>390,839</u>	<u>17,924</u>	<u>401,928</u>	<u>499,499</u>	<u>520,077</u>	<u>545,370</u>	<u>581,396</u>
-	-	522	-	-	-	-	-
557	922	-	528	7,384	7,597	7,848	7,279
<u>557</u>	<u>922</u>	<u>522</u>	<u>528</u>	<u>7,384</u>	<u>7,597</u>	<u>7,848</u>	<u>7,279</u>
346,766	364,213	15,196	373,433	455,518	473,520	500,728	522,112
-	-	3	-	-	-	-	-
346,766	364,213	15,199	373,433	455,518	473,520	500,728	522,112
24,498	25,704	2,203	27,967	36,597	38,960	36,794	52,005
<u>\$ 371,264</u>	<u>\$ 389,917</u>	<u>\$ 17,402</u>	<u>\$ 401,400</u>	<u>\$ 492,115</u>	<u>\$ 512,480</u>	<u>\$ 537,522</u>	<u>\$ 574,117</u>
352,492	371,145		383,998	474,713	495,078	520,120	556,715
1877.75%	1977.12%		2206.63%	2727.92%	2844.95%	2988.85%	3199.14%
\$ 630	\$ 679	\$ -	\$ 728	\$ 735	\$ 754	\$ 755	\$ 748
-	-	-	-	-	-	-	-
<u>630</u>	<u>679</u>	<u>-</u>	<u>728</u>	<u>735</u>	<u>754</u>	<u>755</u>	<u>748</u>
-	-	-	-	-	-	-	-
-	-	307	-	-	-	-	-
-	-	307	-	-	-	-	-
346,136	363,534	15,196	372,705	454,783	472,766	499,973	521,364
-	-	3	-	-	-	-	-
346,136	363,534	15,199	372,705	454,783	472,766	499,973	521,364
24,498	25,704	1,896	27,967	36,597	38,960	36,794	52,005
<u>\$ 370,634</u>	<u>\$ 389,238</u>	<u>\$ 17,095</u>	<u>\$ 400,672</u>	<u>\$ 491,380</u>	<u>\$ 511,726</u>	<u>\$ 536,767</u>	<u>\$ 573,369</u>

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**HORTON PLAZA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 521,454	\$ 547,082	\$ 697,888
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	521,454	547,082	697,888
Unsecured - Locally Assessed.....	56,366	55,272	55,487
Total Gross Valuation.....	<u>577,820</u>	<u>602,354</u>	<u>753,375</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	7,672	7,823	8,057
Total Exemptions.....	<u>7,672</u>	<u>7,823</u>	<u>8,057</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	521,454	547,082	697,888
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	521,454	547,082	697,888
Unsecured - Locally Assessed.....	48,694	47,449	47,430
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 570,148</u></b>	<b><u>\$ 594,531</u></b>	<b><u>\$ 745,318</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	552,746	577,129	727,916
Percentage Increase (Decrease) Over Base Year.....	3176.34%	3316.45%	4182.94%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 714	\$ 725	\$ 725
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	<u>714</u>	<u>725</u>	<u>725</u>
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	520,740	546,357	697,163
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	520,740	546,357	697,163
Unsecured - Locally Assessed.....	48,694	47,449	47,430
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 569,434</u></b>	<b><u>\$ 593,806</u></b>	<b><u>\$ 744,593</u></b>

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**LINDA VISTA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	<u>Base Year</u> 1972-73	<u>Revised</u> <u>Base Year</u> 1972-73	<u>1995-96</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,611	\$ 1,600	\$ 7,123
Public Utilities - State Assessed.....	128	128	-
 Total Secured Valuation.....	 1,739	 1,728	 7,123
Unsecured - Locally Assessed.....	660	660	1,582
 Total Gross Valuation.....	 <u>2,399</u>	 <u>2,388</u>	 <u>8,705</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	7	7	-
Unsecured - Locally Assessed.....	-	-	-
 Total Exemptions.....	 <u>7</u>	 <u>7</u>	 <u>-</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,604	1,593	7,123
Public Utilities - State Assessed.....	128	128	-
 Net Secured.....	 1,732	 1,721	 7,123
Unsecured - Locally Assessed.....	660	660	1,582
 <b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	 <b><u>\$ 2,392</u></b>	 <b><u>\$ 2,381</u></b>	 <b><u>\$ 8,705</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....			6,324
Percentage Increase (Decrease) Over Base Year.....			265.60%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
 Total Homeowners' Exemptions.....	 <u>-</u>	 <u>-</u>	 <u>-</u>
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	153	153	-
 Total Business Inventory Exemptions.....	 <u>153</u>	 <u>153</u>	 <u>-</u>
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,604	1,593	7,123
Public Utilities - State Assessed.....	128	128	-
 Net Secured.....	 1,732	 1,721	 7,123
Unsecured - Locally Assessed.....	507	507	1,582
 <b>NET ASSESSED VALUATION.....</b>	 <b><u>\$ 2,239</u></b>	 <b><u>\$ 2,228</u></b>	 <b><u>\$ 8,705</u></b>

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 7,242	\$ 7,373	\$ 1,600	\$ 7,505	\$ 8,123	\$ 8,807	\$ 9,163	\$ 9,333
-	-	-	-	-	-	-	-
7,242	7,373	1,600	7,505	8,123	8,807	9,163	9,333
1,826	1,461	660	1,319	1,926	2,385	2,433	2,655
9,068	8,834	2,260	8,824	10,049	11,192	11,596	11,988
-	-	7	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	7	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163	9,333
-	-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163	9,333
1,826	1,461	660	1,319	1,926	2,385	2,433	2,655
<u>\$ 9,068</u>	<u>\$ 8,834</u>	<u>\$ 2,253</u>	<u>\$ 8,824</u>	<u>\$ 10,049</u>	<u>\$ 11,192</u>	<u>\$ 11,596</u>	<u>\$ 11,988</u>
6,687	6,453		6,571	7,796	8,939	9,343	9,735
280.85%	271.02%		291.66%	346.03%	396.76%	414.69%	432.09%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	153	-	-	-	-	-
-	-	153	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163	9,333
-	-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163	9,333
1,826	1,461	507	1,319	1,926	2,385	2,433	2,655
<u>\$ 9,068</u>	<u>\$ 8,834</u>	<u>\$ 2,100</u>	<u>\$ 8,824</u>	<u>\$ 10,049</u>	<u>\$ 11,192</u>	<u>\$ 11,596</u>	<u>\$ 11,988</u>

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**LINDA VISTA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2005-06 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	2003-04	2004-05	2005-06
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 8,236	\$ 8,456	\$ 8,779
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	8,236	8,456	8,779
Unsecured - Locally Assessed.....	2,639	2,137	2,044
Total Gross Valuation.....	10,875	10,593	10,823
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	8,236	8,456	8,779
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	8,236	8,456	8,779
Unsecured - Locally Assessed.....	2,639	2,137	2,044
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 10,875</b>	<b>\$ 10,593</b>	<b>\$ 10,823</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	8,622	8,340	8,570
Percentage Increase (Decrease) Over Base Year.....	382.69%	370.17%	380.38%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	8,236	8,456	8,779
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	8,236	8,456	8,779
Unsecured - Locally Assessed.....	2,639	2,137	2,044
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 10,875</b>	<b>\$ 10,593</b>	<b>\$ 10,823</b>



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**MOUNT HOPE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1982-83)**  
**(UNAUDITED)**

	Base Year 1982-83	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 18,484	\$ 72,446	\$ 69,736
Public Utilities - State Assessed.....	716	-	-
Total Secured Valuation.....	19,200	72,446	69,736
Unsecured - Locally Assessed.....	24	6,742	9,994
Total Gross Valuation.....	19,224	79,188	79,730
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	443	1,124	1,153
Unsecured - Locally Assessed.....	-	3	3
Total Exemptions.....	443	1,127	1,156
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	18,041	71,322	68,583
Public Utilities - State Assessed.....	716	-	-
Net Secured.....	18,757	71,322	68,583
Unsecured - Locally Assessed.....	24	6,739	9,991
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 18,781</b>	<b>\$ 78,061</b>	<b>\$ 78,574</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		59,280	59,793
Percentage Increase (Decrease) Over Base Year.....		315.64%	318.37%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,414	\$ 1,356	\$ 1,399
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	1,414	1,356	1,399
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	16,627	69,966	67,184
Public Utilities - State Assessed.....	716	-	-
Net Secured.....	17,343	69,966	67,184
Unsecured - Locally Assessed.....	24	6,739	9,991
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 17,367</b>	<b>\$ 76,705</b>	<b>\$ 77,175</b>

1996-97	1997-98	Revised Base Year 1982-83	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 70,232	\$ 72,740	\$ 18,484	\$ 75,324	\$ 77,535	\$ 90,378	\$ 96,022	\$ 100,959
-	-	-	-	-	-	-	-
70,232	72,740	18,484	75,324	77,535	90,378	96,022	100,959
10,271	12,224	24	18,209	18,325	15,642	16,268	20,592
80,503	84,964	18,508	93,533	95,860	106,020	112,290	121,551
1,248	1,364	443	1,306	1,271	1,186	905	905
9	25	-	9	-	7	-	-
1,257	1,389	443	1,315	1,271	1,193	905	905
68,984	71,376	18,041	74,018	76,264	89,192	95,117	100,054
-	-	-	-	-	-	-	-
68,984	71,376	18,041	74,018	76,264	89,192	95,117	100,054
10,262	12,199	24	18,200	18,325	15,635	16,268	20,592
\$ 79,246	\$ 83,575	\$ 18,065	\$ 92,218	\$ 94,589	\$ 104,827	\$ 111,385	\$ 120,646
60,465	64,794		74,153	76,524	86,762	93,320	102,581
321.95%	345.00%		410.48%	423.60%	480.28%	516.58%	567.84%
\$ 1,442	\$ 1,519	\$ 1,414	\$ 1,532	\$ 1,518	\$ 1,518	\$ 1,518	\$ 1,526
-	-	-	-	-	-	-	-
1,442	1,519	1,414	1,532	1,518	1,518	1,518	1,526
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
67,542	69,857	16,627	72,486	74,746	87,674	93,599	98,528
-	-	-	-	-	-	-	-
67,542	69,857	16,627	72,486	74,746	87,674	93,599	98,528
10,262	12,199	24	18,200	18,325	15,635	16,268	20,592
\$ 77,804	\$ 82,056	\$ 16,651	\$ 90,686	\$ 93,071	\$ 103,309	\$ 109,867	\$ 119,120

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**MOUNT HOPE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1982-83)**  
**(UNAUDITED)**

	2003-04	2004-05	2005-06
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 108,817	\$ 120,601	\$ 130,153
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	108,817	120,601	130,153
Unsecured - Locally Assessed.....	18,539	18,263	23,294
Total Gross Valuation.....	127,356	138,864	153,447
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	9,748	12,392	12,689
Unsecured - Locally Assessed.....	7	1,800	1,662
Total Exemptions.....	9,755	14,192	14,351
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	99,069	108,209	117,464
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	99,069	108,209	117,464
Unsecured - Locally Assessed.....	18,532	16,463	21,632
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 117,601</b>	<b>\$ 124,672</b>	<b>\$ 139,096</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	99,536	106,607	121,031
Percentage Increase (Decrease) Over Base Year.....	550.99%	590.13%	669.98%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,557	\$ 1,589	\$ 1,589
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	1,557	1,589	1,589
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	97,512	106,620	115,875
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	97,512	106,620	115,875
Unsecured - Locally Assessed.....	18,532	16,463	21,632
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 116,044</b>	<b>\$ 123,083</b>	<b>\$ 137,507</b>

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**NAVAL TRAINING CENTER REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1999-2000 TO 2005-06 (BASE YEAR 1999-2000)  
 (UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	-	-	-
Unsecured - Locally Assessed.....	-	44	68
Total Gross Valuation.....	-	44	68
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	12
Total Exemptions.....	-	-	12
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	-	-	-
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	-	-	-
Unsecured - Locally Assessed.....	-	44	56
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ -</b>	<b>\$ 44</b>	<b>\$ 56</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		44	56
Percentage Increase (Decrease) Over Base Year.....		N/A	N/A
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	-	-	-
Unsecured - Locally Assessed.....	-	44	56
<b>NET ASSESSED VALUATION.....</b>	<b>\$ -</b>	<b>\$ 44</b>	<b>\$ 56</b>

2001-02	2002-03	2003-04	2004-05	2005-06
\$ -	\$ 11,090	\$ 100,366	\$ \$ 209,737	\$ 352,054
-	-	-	-	-
-	11,090	100,366	209,737	352,054
-	8	481	541	2,226
-	11,098	100,847	210,278	354,280
-	-	-	13,385	16,504
-	-	-	-	1,715
-	-	-	13,385	18,219
-	11,090	100,366	196,352	335,550
-	-	-	-	-
-	11,090	100,366	196,352	335,550
-	8	481	541	511
\$ -	\$ 11,098	\$ 100,847	\$ \$ 196,893	\$ 336,061
-	11,098	100,847	196,893	336,061
N/A	N/A	N/A	N/A	N/A
\$ -	\$ -	\$ -	\$ \$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	11,090	100,366	196,352	335,550
-	-	-	-	-
-	11,090	100,366	196,352	335,550
-	8	481	541	511
\$ -	\$ 11,098	\$ 100,847	\$ \$ 196,893	\$ 336,061

**NORTH BAY REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1999-2000 TO 2005-06 (BASE YEAR 1999-2000)  
 (UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 665,470	\$ 737,249	\$ 784,329
Public Utilities - State Assessed.....	4,917	8,101	8,274
Total Secured Valuation.....	670,387	745,350	792,603
Unsecured - Locally Assessed.....	76,363	98,094	89,629
Total Gross Valuation.....	746,750	843,444	882,232
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	63,278	61,649	62,940
Unsecured - Locally Assessed.....	-	-	7,945
Total Exemptions.....	63,278	61,649	70,885
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	602,192	675,600	721,389
Public Utilities - State Assessed.....	4,917	8,101	8,274
Net Secured.....	607,109	683,701	729,663
Unsecured - Locally Assessed.....	76,363	98,094	81,684
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 683,472</b>	<b>\$ 781,795</b>	<b>\$ 811,347</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		98,323	127,875
Percentage Increase (Decrease) Over Base Year.....		14.39%	18.71%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 2,153	\$ 2,222
Unsecured - Locally Assessed.....	-	-	35
Total Homeowners' Exemptions.....	-	2,153	2,257
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	602,192	673,447	719,167
Public Utilities - State Assessed.....	4,917	8,101	8,274
Net Secured.....	607,109	681,548	727,441
Unsecured - Locally Assessed.....	76,363	98,094	81,649
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 683,472</b>	<b>\$ 779,642</b>	<b>\$ 809,090</b>



2001-02	Revised Base Year 1999-2000	2002-03	2003-04	2004-05	2005-06
\$ 828,519	\$ 671,088	\$ 879,653	\$ 907,188	\$ 969,695	\$ 1,049,980
8,440	4,917	7,603	6,570	6,253	6,375
836,959	676,005	887,256	913,758	975,948	1,056,355
84,023	76,363	92,229	103,680	102,426	104,798
<u>920,982</u>	<u>752,368</u>	<u>979,485</u>	<u>1,017,438</u>	<u>1,078,374</u>	<u>1,161,153</u>
60,979	63,278	72,720	36,897	43,514	45,075
6,530	-	3,177	5,769	5,825	8,003
<u>67,509</u>	<u>63,278</u>	<u>75,897</u>	<u>42,666</u>	<u>49,339</u>	<u>53,078</u>
767,540	607,810	806,933	870,291	926,181	1,004,905
8,440	4,917	7,603	6,570	6,253	6,375
775,980	612,727	814,536	876,861	932,434	1,011,280
77,493	76,363	89,052	97,911	96,601	96,795
<u>\$ 853,473</u>	<u>\$ 689,090</u>	<u>\$ 903,588</u>	<u>\$ 974,772</u>	<u>\$ 1,029,035</u>	<u>\$ 1,108,075</u>
170,001		214,498	285,682	339,945	418,985
24.87%		31.13%	41.46%	49.33%	60.80%
\$ 2,222	\$ -	\$ 2,320	\$ 2,328	\$ 2,356	\$ 2,356
35	-	-	-	-	-
<u>2,257</u>	<u>-</u>	<u>2,320</u>	<u>2,328</u>	<u>2,356</u>	<u>2,356</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
765,318	607,810	804,613	867,963	923,825	1,002,549
8,440	4,917	7,603	6,570	6,253	6,375
773,758	612,727	812,216	874,533	930,078	1,008,924
77,458	76,363	89,052	97,911	96,601	96,795
<u>\$ 851,216</u>	<u>\$ 689,090</u>	<u>\$ 901,268</u>	<u>\$ 972,444</u>	<u>\$ 1,026,679</u>	<u>\$ 1,105,719</u>

**NORTH PARK REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1999-2000 TO 2005-06 (BASE YEAR 1999-2000)**  
**(UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 421,648	\$ 453,872	\$ 486,289
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	421,648	453,872	486,289
Unsecured - Locally Assessed.....	10,814	15,822	16,214
Total Gross Valuation.....	432,462	469,694	502,503
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	8,911	8,912	9,775
Unsecured - Locally Assessed.....	-	-	305
Total Exemptions.....	8,911	8,912	10,080
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	412,737	444,960	476,514
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	412,737	444,960	476,514
Unsecured - Locally Assessed.....	10,814	15,822	15,909
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 423,551</b>	<b>\$ 460,782</b>	<b>\$ 492,423</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		37,231	68,872
Percentage Increase (Decrease) Over Base Year.....		8.79%	16.26%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 5,228	\$ 5,410
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	5,228	5,410
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	412,737	439,732	471,104
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	412,737	439,732	471,104
Unsecured - Locally Assessed.....	10,814	15,822	15,909
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 423,551</b>	<b>\$ 455,554</b>	<b>\$ 487,013</b>

2001-02	2002-03	2003-04	2004-05	2005-06
\$ 528,168	\$ 571,211	\$ 628,854	\$ 707,419	\$ 828,989
-	-	-	-	-
528,168	571,211	628,854	707,419	828,989
15,355	15,780	20,267	17,587	16,948
543,523	586,991	649,121	725,006	845,937
9,691	10,735	11,675	12,536	13,282
446	115	675	701	656
10,137	10,850	12,350	13,237	13,938
518,477	560,476	617,179	694,883	815,707
-	-	-	-	-
518,477	560,476	617,179	694,883	815,707
14,909	15,665	19,592	16,886	16,292
\$ 533,386	\$ 576,141	\$ 636,771	\$ 711,769	\$ 831,999
109,835	152,590	213,220	288,218	408,448
25.93%	36.03%	50.34%	68.05%	96.43%
\$ 5,410	\$ 5,624	\$ 5,676	\$ 5,741	\$ 5,741
-	-	-	-	-
5,410	5,624	5,676	5,741	5,741
-	-	-	-	-
-	-	-	-	-
513,067	554,852	611,503	689,142	809,966
-	-	-	-	-
513,067	554,852	611,503	689,142	809,966
14,909	15,665	19,592	16,886	16,292
\$ 527,976	\$ 570,517	\$ 631,095	\$ 706,028	\$ 826,258

**SAN YSIDRO REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1997-98 TO 2005-06 (BASE YEAR 1996-97)**  
**(UNAUDITED)**

	Base Year 1996-97	1997-98	1998-99
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 214,166	\$ 214,360	\$ 219,810
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	214,166	214,360	219,810
Unsecured - Locally Assessed.....	10,431	4,670	10,739
Total Gross Valuation.....	224,597	219,030	230,549
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	23,960	26,042	26,857
Unsecured - Locally Assessed.....	-	-	23
Total Exemptions.....	23,960	26,042	26,880
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	190,206	188,318	192,953
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	190,206	188,318	192,953
Unsecured - Locally Assessed.....	10,431	4,670	10,716
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 200,637</b>	<b>\$ 192,988</b>	<b>\$ 203,669</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		(7,649)	3,032
Percentage Increase (Decrease) Over Base Year.....		-3.81%	1.51%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,250	\$ 1,287	\$ 1,281
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	1,250	1,287	1,281
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	188,956	187,031	191,672
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	188,956	187,031	191,672
Unsecured - Locally Assessed.....	10,431	4,670	10,716
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 199,387</b>	<b>\$ 191,701</b>	<b>\$ 202,388</b>

1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
\$ 228,338	\$ 244,704	\$ 295,357	\$ 356,615	\$ 378,030	\$ 407,588	\$ 490,915
-	-	-	-	-	-	-
228,338	244,704	295,357	356,615	378,030	407,588	490,915
10,870	11,982	14,042	19,867	25,139	26,329	25,219
239,208	256,686	309,399	376,482	403,169	433,917	516,134
27,554	29,730	13,127	54,484	55,014	56,517	58,099
58	72	137	-	1,814	1,439	686
27,612	29,802	13,264	54,484	56,828	57,956	58,785
200,784	214,974	282,230	302,131	323,016	351,071	432,816
-	-	-	-	-	-	-
200,784	214,974	282,230	302,131	323,016	351,071	432,816
10,812	11,910	13,905	19,867	23,325	24,890	24,533
\$ 211,596	\$ 226,884	\$ 296,135	\$ 321,998	\$ 346,341	\$ 375,961	\$ 457,349
10,959	26,247	95,498	121,361	145,704	175,324	256,712
5.46%	13.08%	47.60%	60.49%	72.62%	87.38%	127.95%
\$ 1,260	\$ 1,224	\$ 1,224	\$ 1,551	\$ 1,540	\$ 1,603	\$ 1,603
-	-	-	-	-	-	-
1,260	1,224	1,224	1,551	1,540	1,603	1,603
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
199,524	213,750	281,006	300,580	321,476	349,468	431,213
-	-	-	-	-	-	-
199,524	213,750	281,006	300,580	321,476	349,468	431,213
10,812	11,910	13,905	19,867	23,325	24,890	24,533
\$ 210,336	\$ 225,660	\$ 294,911	\$ 320,447	\$ 344,801	\$ 374,358	\$ 455,746

**SOUTHCREST REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	Base Year 1986-87	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 46,450	\$ 73,398	\$ 77,638
Public Utilities - State Assessed.....	2,402	-	-
Total Secured Valuation.....	48,852	73,398	77,638
Unsecured - Locally Assessed.....	856	2,170	2,360
Total Gross Valuation.....	49,708	75,568	79,998
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	2,501	5,607	4,609
Unsecured - Locally Assessed.....	-	10	-
Total Exemptions.....	2,501	5,617	4,609
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	43,949	67,791	73,029
Public Utilities - State Assessed.....	2,402	-	-
Net Secured.....	46,351	67,791	73,029
Unsecured - Locally Assessed.....	856	2,160	2,360
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 47,207</b>	<b>\$ 69,951</b>	<b>\$ 75,389</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		22,744	28,182
Percentage Increase (Decrease) Over Base Year.....		48.18%	59.70%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 3,080	\$ 3,114	\$ 3,059
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	3,080	3,114	3,059
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	40,869	64,677	69,970
Public Utilities - State Assessed.....	2,402	-	-
Net Secured.....	43,271	64,677	69,970
Unsecured - Locally Assessed.....	856	2,160	2,360
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 44,127</b>	<b>\$ 66,837</b>	<b>\$ 72,330</b>

1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 83,305 -	\$ 87,161 -	\$ 46,450 343	\$ 91,217 -	\$ 96,970 -	\$ 102,246 -	\$ 110,325 -	\$ 120,858 -
83,305 2,418	87,161 1,019	46,793 856	91,217 5,647	96,970 5,208	102,246 5,647	110,325 4,190	120,858 4,649
85,723	88,180	47,649	96,864	102,178	107,893	114,515	125,507
4,705 -	3,503 -	2,501 -	3,670 -	4,002 18	4,519 -	6,550 91	6,569 -
4,705	3,503	2,501	3,670	4,020	4,519	6,641	6,569
78,600 -	83,658 -	43,949 343	87,547 -	92,968 -	97,727 -	103,775 -	114,289 -
78,600 2,418	83,658 1,019	44,292 856	87,547 5,647	92,968 5,190	97,727 5,647	103,775 4,099	114,289 4,649
\$ 81,018	\$ 84,677	\$ 45,148	\$ 93,194	\$ 98,158	\$ 103,374	\$ 107,874	\$ 118,938
33,811	37,470		48,046	53,010	58,226	62,726	73,790
71.62%	79.37%		106.42%	117.41%	128.97%	138.93%	163.44%
\$ 3,094 -	\$ 3,234 -	\$ 3,080 -	\$ 3,289 -	\$ 3,401 -	\$ 3,410 -	\$ 3,410 -	\$ 3,559 -
3,094	3,234	3,080	3,289	3,401	3,410	3,410	3,559
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
75,506 -	80,424 -	40,869 343	84,258 -	89,567 -	94,317 -	100,365 -	110,730 -
75,506 2,418	80,424 1,019	41,212 856	84,258 5,647	89,567 5,190	94,317 5,647	100,365 4,099	110,730 4,649
\$ 77,924	\$ 81,443	\$ 42,068	\$ 89,905	\$ 94,757	\$ 99,964	\$ 104,464	\$ 115,379

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**SOUTHCREST REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2005-06 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 132,013	\$ 158,002	\$ 205,179
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	132,013	158,002	205,179
Unsecured - Locally Assessed.....	4,557	3,753	4,158
Total Gross Valuation.....	<u>136,570</u>	<u>161,755</u>	<u>209,337</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	8,772	7,738	14,993
Unsecured - Locally Assessed.....	19	139	73
Total Exemptions.....	<u>8,791</u>	<u>7,877</u>	<u>15,066</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	123,241	150,264	190,186
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	123,241	150,264	190,186
Unsecured - Locally Assessed.....	4,538	3,614	4,085
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 127,779</u></b>	<b><u>\$ 153,878</u></b>	<b><u>\$ 194,271</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	82,631	108,730	149,123
Percentage Increase (Decrease) Over Base Year.....	183.02%	240.83%	330.30%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 3,581	\$ 3,573	\$ 3,573
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	<u>3,581</u>	<u>3,573</u>	<u>3,573</u>
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	119,660	146,691	186,613
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	119,660	146,691	186,613
Unsecured - Locally Assessed.....	4,538	3,614	4,085
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 124,198</u></b>	<b><u>\$ 150,305</u></b>	<b><u>\$ 190,698</u></b>



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