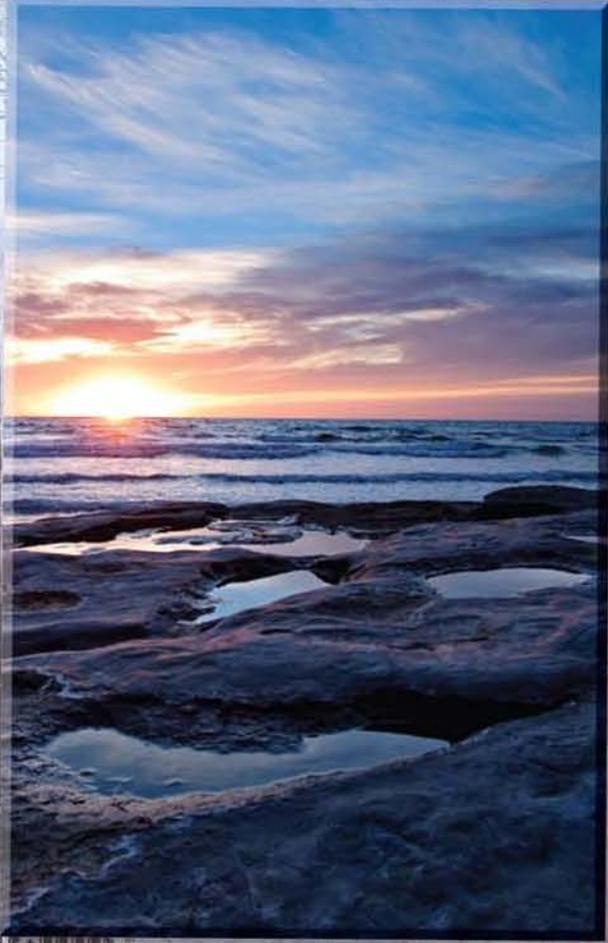




**auditor & comptroller** | redevelopment agency



annual financial report  
fiscal year ending june 30, 2004

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Introductory Section

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CITY OF SAN DIEGO  
**Redevelopment  
Agency**



June 29, 2007

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, 2004, 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,

  
\_\_\_\_\_  
Jim Waring  
Assistant Executive Director

  
\_\_\_\_\_  
Jay M. Goldstone  
Chief Financial Officer

  
\_\_\_\_\_  
Gregory Levin  
Comptroller

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REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
ROSTER OF OFFICIALS  
AS OF YEAR ENDED JUNE 30, 2004

**BOARD OF DIRECTORS**

Dick Murphy  
**Chairperson**

**Board Members:**

Scott Peters  
Michael Zucchet  
Toni Atkins  
Charles Lewis  
Brian Maienschein  
Donna Frye  
Jim Madaffer  
Ralph Inzunza

**OFFICIALS**

Michael T. Uberuaga  
**Executive Director**

Terri Webster  
**Auditor and Comptroller**

Charles G. Abdelnour  
**Secretary**

Mary Vattimo  
**Treasurer**

Casey Gwinn  
**General Counsel**

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Financial Section

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**MACIAS GINI & O'CONNELL LLP**  
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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 fiscal year ended June 30, 2004, which collectively comprise the Agency's basic financial statements as listed in the accompanying 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, 2004, and the respective changes in financial position for the fiscal 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 June 29, 2007, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis information on pages 16 through 26 and budgetary comparison information on pages 58 through 59 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  
June 29, 2007

## Management's Discussion and Analysis

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**  
**(Dollar Amounts)**  
**June 30, 2004**

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, 2004.

**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, Centre City Capital Project Fund, and the Horton Plaza Other Special Revenue 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 62 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 58-59. Assessed valuation information for each project area can be found beginning on page 98 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 88 of this report.

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

	Governmental Activities		Dollar Increase (Decrease)	Percent Increase (Decrease)
	2004	2003		
Current and Other Assets	\$ 321,609,552	\$ 309,299,184	\$ 12,310,368	4%
Capital Assets	109,442,484	90,826,890	18,615,594	20%
<b>Total Assets</b>	<b>431,052,036</b>	<b>400,126,074</b>	<b>30,925,962</b>	<b>8%</b>
Current and Other Liabilities	51,262,487	59,830,500	(8,568,013)	-14%
Net Long-Term Debt	583,872,826	550,057,403	33,815,423	6%
<b>Total Liabilities</b>	<b>635,135,313</b>	<b>609,887,903</b>	<b>25,247,410</b>	<b>4%</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	(1,202,258)	(967,468)	(234,790)	24%
Restricted	63,737,108	49,590,440	14,146,668	29%
Unrestricted	(266,618,127)	(258,384,801)	(8,233,326)	3%
<b>Total Net Assets</b>	<b>\$ (204,083,277)</b>	<b>\$ (209,761,829)</b>	<b>\$ 5,678,552</b>	<b>-3%</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, 2004, by \$204,083,277.

The deficit in the Agency's Investment in Capital Assets, Net of Related Debt is \$1,202,258, or less than 1% of Total Net Assets. The deficit is due to the fact that all capital assets of the Agency have been purchased with debt that is outstanding. The deficit represents accumulated depreciation on the Agency's structures, improvements and equipment. The decrease of \$234,790, or about 24% over the prior year, represents the current year depreciation expense.

The Agency's Restricted Net Assets of \$63,737,108 represent resources that are subject to external restrictions on how they may be used. Restricted Net Assets increased by \$14,146,668 over the prior year, or about 29%, primarily due to a net increase in the various Low and Moderate Income Housing funds fund balance which is restricted.

There are two major factors contributing to the Agency's deficit of \$266,618,127 in Unrestricted Net Assets. First, the Agency has used long term debt to acquire properties that have been sold to developers or conveyed to the City at a loss. Second, 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. The Agency has \$346,213,071 in bonds outstanding, \$225,619,556 in outstanding loans due to the City of San Diego, and \$24,819,075 of other debt, including loans from developers. The Agency borrows from the City mostly during the initial stages of a project area, then issues bonds or incurs other long-term debt to finance a substantial portion of its development activities. 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.

**CHANGES IN NET ASSETS**

	Governmental Governmental Activities		Dollar	Percent
	2004	2003	Increase (Decrease)	Increase (Decrease)
Revenues:				
Program Revenues				
Operating Grants and Contributions	\$ 3,494,861	\$ 3,112,944	\$ 381,917	12%
Capital Grants and Contributions	3,975,152	13,529,334	(9,554,182)	-71%
General Revenues				
Property Taxes	69,452,601	55,587,299	13,865,302	25%
Grants and Contributions Not Restricted to Specific Programs	1,701,162	986,675	714,487	72%
Revenue from Use of Money and Property	4,796,486	10,020,058	(5,223,572)	-52%
Gain on Land Held for Resale	3,120,396	25,163	3,095,233	12301%
Miscellaneous	300,000	-	300,000	100%
Total Revenues	<u>86,840,658</u>	<u>83,261,473</u>	<u>3,579,185</u>	4%
Expenses:				
General Government and Support	25,665,710	29,631,019	(3,965,309)	-13%
Parks, Recreation, Culture and Leisure	-	322,064	(322,064)	-100%
Neighborhood Services	28,466,184	23,404,175	5,062,009	22%
Interest on Long-Term Debt	27,030,212	25,148,020	1,882,192	7%
Total Expenses	<u>81,162,106</u>	<u>78,505,278</u>	<u>2,656,828</u>	3%
Change in Net Assets	<u>5,678,552</u>	<u>4,756,195</u>	<u>922,357</u>	19%
Net Assets, July 1	<u>(209,761,829)</u>	<u>(214,518,024)</u>	<u>4,756,195</u>	-2%
Net Assets, June 30	<u>\$ (204,083,277)</u>	<u>\$ (209,761,829)</u>	<u>\$ 5,678,552</u>	-3%

**Governmental Activities**

Governmental activities increased the Agency's net assets by \$5,678,552. Key elements of this increase are as follows:

- Revenues from Capital Grants and Contributions decreased \$9,554,182, or about 71%. This is due to the fact that contributions to the Agency vary from year to year depending on agreements reached with developers or other governmental entities. In fiscal year 2003, the Centre City Project Area received \$8,877,574 in contributions from developers, mostly related to activity surrounding the Ballpark development in East Village. Contributions from developers in the current year amounted to \$355,786 explaining the year over year decrease in Revenues from Capital Grants and Contributions.
- Property Tax revenues increased \$13,865,302 or about 25%, due to increases in assessed property valuations in various project areas. \$10,351,719 of this increase is due to increased property values in Centre City as a result of the Ballpark development and related projects in the East Village, as well as completion of various projects in the Little Italy, Cortez Hill, Columbia, and Marina neighborhoods. Increased property values in City Heights due to development of the Urban Village and Regional Transportation Center accounted for \$1,373,719 of the increase in tax revenue, while approximately \$974,281 increased in the Naval Training Center with the completion of an office district.
- Revenue from Use of Money and Property decreased approximately \$5,223,572, or about 52%, due to a decrease in interest revenue of \$5,507,629 over the prior year.

- Neighborhood Services expense increased by \$5,062,009 or about 22% primarily due to an increase of \$2,094,758 in rehabilitation of low and moderate income housing in the City Heights and Horton Plaza project areas. Also contributing to the increase was the reclassification of Plans and Surveys related expenses, from General Government and Support expense in the prior year to Neighborhood Services expense in the current year. This contributed to an increase of \$3,740,943 in fiscal year 2004.

## 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 near-term 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, 2004, the Agency's governmental funds reported combined ending fund balances of \$300,828,521 an increase of \$19,256,867 over the prior year. The increase is primarily attributed to an increase of tax increment revenues, which provided total revenue growth of \$13,865,302 over the prior year, compared to a \$1,733,829 increase in overall expenditures. Of the combined ending fund balances, \$140,441,551, or about 47% constitutes unreserved fund balance, which is available for spending at the Agency's discretion. The remainder of fund balance 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, or (3) for a variety of other restricted purposes.

*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, 2004 amounted to \$37,653,911 which is an increase of \$6,282,634, or about 20% over the prior year. With the exception of tax increment revenue growth, which increased by \$2,070,344 over the prior year, revenues and expenditures remained fairly constant when compared to the prior year. The increase in fund balance is mostly due to overall revenue exceeding low and moderate income housing project expenditures by \$8,282,634. This increase was off-set by a transfer of \$2,000,000 to the Centre City Debt Service Fund for payment of a developer note.

*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 agreements with other Governmental Agencies. This fund also accounts for the receipt of bond proceeds and transfers to the Centre City Capital Project Fund and Centre City Debt Service Fund. The fund balance at June 30, 2004 amounted to \$60,407,210 which is an increase of \$202,985, or less than 1% over the prior year. Tax increment revenue increased by \$2,898,482 due to increased property values in the project area as a result of Ballpark development in the East Village and completion of various projects in the Little Italy, Cortez Hill, Columbia, and Marina neighborhoods. The increase in tax increment revenue was off-set by decreased interest revenue of \$1,977,234.

*Horton Plaza Other Special Revenue Fund.* The Horton Plaza Other Special Revenue Fund is used to account for revenues such as tax increment. The expenditures recorded in this fund are primarily for tax sharing agreements with other Governmental Agencies. This fund also accounts for the receipt of bond proceeds and transfers to the Horton Plaza Capital Project Fund and Horton Plaza Debt Service Fund. The fund balance at June 30, 2004 amounted to \$9,924,199 which is an increase of \$1,650,249, or about 20% over the prior year. This is primarily due to an increase in tax increment revenue of approximately \$899,506 over the prior year. Also, in fiscal year 2004, this fund received \$18,855,000 in bond proceeds,

\$18,532,121 of which were transferred to the Horton Plaza Capital Project Fund, Horton Plaza Low and Moderate Income Housing Special Revenue Fund and the Horton Plaza 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 \$28,166,344 of which \$28,108,847 is reserved for debt service and the balance of \$57,497 is unreserved, yet designated for the unrealized gain. The Fund balance showed an increase of approximately \$3,265,303 from the prior year primarily a result of transfers from bond proceeds in anticipation of payment of City loans.

*Centre City Capital Project Fund.* The Centre City Capital Project Fund is used to account for redevelopment expenditures related to various projects in the Centre City Redevelopment Project Area, with the use of such funding sources as tax increment, bond proceeds, and developer contributions. The fund balance at June 30, 2004 amounted to \$72,956,944 which is a decrease of \$18,569,803 or about 20% over the prior year. This was primarily due to increased project improvement expenditures of \$12,236,299 mostly relating to the development of parking facilities needed for the Ballpark. In addition revenue from private sources decreased by \$4,490,454 due to decreased contributions from developers during the current year.

## 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, 2004, amounts to \$109,443,484, representing an overall increase in the Agency's investment in capital assets of \$18,615,594, or about 20%, over the previous year. The increase is primarily due to costs of \$15,999,490 associated with the construction of the 6<sup>th</sup> and K Parking Structure and land purchases totaling \$2,035,065 for development of Tailgate Park in the Centre City East Village.

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

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

	2004	2003
Land	\$ 85,143,350	\$ 82,869,108
Construction in Progress	16,576,142	-
Structures	7,498,552	7,701,216
Equipment	224,440	256,566
Total	<u>\$ 109,442,484</u>	<u>\$ 90,826,890</u>

## HIGHLIGHTS OF FISCAL YEAR 2004 CAPITAL IMPROVEMENT ACTIVITIES

### Governmental Activities

#### Barrio Logan Redevelopment Project Area

- Approved the 3<sup>rd</sup> Five-Year Implementation Plan.
- Approved the 1<sup>st</sup> Amendment to the Barrio Logan Redevelopment Plan to extend eminent domain authority for an additional 12 years.
- Approved the 2<sup>nd</sup> Disposition and Development Agreement with Mercado Alliance for the proposed development of the 6 acre Mercado del Barrio Residential/Commercial Project, a neighborhood mixed use project containing affordable housing.

#### Central Imperial Redevelopment Project Area

- Completed the required public improvements for the Valencia Business Park.
- Approved a Disposition and Development Agreement with Roseau Development, LLC for additional development in the Valencia Business Park, resulting in an additional 60,000 square feet of light-industrial space at this site.
- Approved Exclusive Negotiation Agreement with Barone Galasso for a 170-unit development containing affordable housing.
- Two consultant teams, Roesling Nakamura (Architects) and Spurlock Piorior (Landscape Architects) were selected to prepare a Master Plan for Imperial Avenue.

#### Centre City Redevelopment Project Area

- Completed a 42,000 seat Ballpark in the East Village District.
- Completed five residential projects in the Little Italy neighborhood, consisting of 690 homes.
- Completed four residential projects consisting of 407 market-rate units and 40 affordable homes in the East Village neighborhood.
- Completed two Cortez residential projects with 355 market-rate homes.
- Completed one project in the Gaslamp District comprising of 12 homes.
- Completed the 512-room Omni Hotel in the East Village District.
- Completed the 750-room Hyatt Hotel Phase II in the Marina District.
- Completed Phase I of the Staybridge Suites consisting of 68 rooms.
- Completed \$1.5 million of street light improvements in the East Village District.
- Completed \$.5 million of Broadway Street lights improvements.
- Completed \$1.1 million of public improvements along 7<sup>th</sup> – 10<sup>th</sup> Avenues and also J to K Streets.

#### City Heights Redevelopment Project Area

- Approved the 3<sup>rd</sup> Five-Year Implementation Plan.
- Approved the Housing Rehabilitation Program in City Heights.
- Issued tax allocation bonds for redevelopment and affordable housing projects.
- Contributed funding to the City of San Diego's Euclid Avenue Streetscape Project.
- Contributed funding to the City of San Diego's Mid-City Transit Gateways Project.
- Completed and opened the Metro Career Center, a four story 80,000 square foot mixed-use facility which includes a 'one-stop' career counseling/training/placement center, a community meeting room, additional office and retail space, 120 affordable very low and low income rental units, and a 490 space parking structure.
- Approved an Owner Participation Agreement for the Talmadge Senior Village Project, a mixed-use project to include 91 unites of quality affordable senior housing, community recreation space, commercial uses, and an underground parking garage.
- Approved an Exclusive Negotiating Agreement with Affirmed Housing for the Auburn Park Apartments, an affordable housing project.

College Community Redevelopment Project Area

- Approved the 3<sup>rd</sup> Five-Year Implementation Plan.
- Extended the Exclusive Negotiating Agreement with SDSU Foundation for the Paseo Mixed Use Project.

College Grove Redevelopment Project Area

- Approved the 3<sup>rd</sup> Five-Year Implementation Plan.

Crossroads Redevelopment Project Area

- Approved an Exclusive Negotiating Agreement with Barratt American for the proposed College Center, a mixed-use project, which includes 400 to 440 market rate for purchase townhomes, condominiums and residential flats, 20,000 square feet of retail space, and approximately 840 to 920 off-street parking spaces.
- Approved a Housing Enhancement Loan Program utilizing low/mod funding from the College Grove Project Area.

Gateway Redevelopment Project Area

- Coordination for the construction of an office building began in FY 2004. The structure and reorganization of the exterior yard will be developed by SDG&E per their existing Owner Participation Agreement.

Grantville Redevelopment Survey Area

- Initiated the process to designate Grantville a survey area.

Linda Vista Redevelopment Project Area

- Approved the 3<sup>rd</sup> Five-Year Implementation Plan.
- Initiated a community survey process regarding the future of Agency-owned property.

Mount Hope Redevelopment Project Area

- Purchased and demolished former Urban League structures in order to initialize redevelopment of the Market Street Corridor between Boundary Street and Interstate 805.

Naval Training Center (NTC) Redevelopment Project Area

- Completed Infrastructure improvements for the residential, education and office districts, including the widening of Rosecrans Street and median improvements.
- Completed the Metro Waste Water Environmental Monitoring and Technical Services Division Laboratory and placed into operation.
- 75% of the 349 unit residential construction was underway, with 75% of those homes sold during the pre-sale process.
- Completed construction of an office district containing two 2-story buildings comprising of 100,000 square feet of office space.
- Approved the NTC Regional Park Plan, a 46-acre waterfront park. The plan includes two ball fields, two large picnic areas, one multi-purpose court, one multi-purpose field, four half-court basketball courts, a sports plaza, and two playgrounds.

### North Bay Redevelopment Project Area

- Approved the 2<sup>nd</sup> Five-Year Implementation Plan.
- Continued construction of the Morena Vista Transit Oriented Development Project, a 184 unit housing project with underground utilities.
- Contributed funding to the City of San Diego's Consolidated Aircraft Truck Crossing Bridge Demolition Project.
- Contributed funding to the City of San Diego's Voltaire Street Overpass Rehabilitation Project.
- Authorized funding to the City of San Diego's Old Town Transit Center Queue Jump Project.
- Approved the Disposition and Development Agreement for the Veterans Village Project.
- Approved the Morena Blvd. Façade Improvement Program.
- Approved the Disposition and Development Agreement for the Veterans Village Project.
- Approved the Midway Tree Planting Program in conjunction with the Business Improvement District Council, to plant 100 trees.

### North Park Redevelopment Project Area

- Completed the seismic retrofit of the North Park Theatre. Conveyed the Theatre to the developer for rehabilitation as a live theatre venue.
- Approved a Disposition and Development Agreement for construction of a 400-space parking facility near the North Park Theatre.
- Approved a 2<sup>nd</sup> Implementation Agreement for the North Park Theatre Project.
- Issued tax allocation bonds for redevelopment and affordable housing projects.
- Approved a Disposition and Development Agreement with Western Pacific Housing for development of La Boheme, a 224 residential condominium project.
- Approved an agreement with the North Park Main Street Association for redevelopment assistance.
- Approved a 1<sup>st</sup> Implementation Agreement with DDA for the Renaissance at North Park, which includes 94 rental apartments for very low income seniors and 14 townhomes for purchase by moderate income families.

### Southcrest Redevelopment Project Area

- Conveyed nine acres to the City of San Diego and \$500,000 for development of a park in the 252 Corridor.
- Completed 2,400 square feet of commercial space at Southcrest Park Plaza.
- Entered into an Owner Participation Agreement with The Olson Company for the development of 110 for-sale condominiums. This satisfied the required amendment to the Southcrest Redevelopment Plan.

### San Ysidro Redevelopment Project Area

- Approved an Exclusive Negotiating Agreement with the San Ysidro Business Pilot Village, L.P., for the proposed Pilot Village mixed-use development, which includes approximately 800 market rate and affordable housing units, 137,000 square feet of retail –commercial space, parking structures, and various amenities.
- Approved funding for the community center rehabilitation project.
- Contributed funding for the City of San Diego's West San Ysidro Blvd. Streetscape Improvement Project.
- Approved an Exclusive Negotiating Agreement with Marker Foothill for a proposed 81 unit, for purchase townhouse development.
- Completed construction of Casitas de las Florecitas, an 8 unit, single-family, affordable housing project.

**LONG-TERM DEBT**

At June 30, 2004, the Agency had total long-term debt of \$596,651,702. Of this amount, \$31,880,000 is secured by specified revenue sources (revenue bonds) and \$314,333,071 is comprised of tax allocation bonds. The remainder of the Agency's debt represents contracts payable, notes payable, and loans payable.

**OUTSTANDING DEBT**

	Governmental Activities	
	2004	2003
Revenue Bonds	\$ 31,880,000	\$ 32,140,000
Tax Allocation Bonds	314,333,071	283,309,863
Contracts Payable	1,714,867	1,882,309
Notes Payable	18,239,613	19,930,755
Loans Payable	230,484,151	224,272,921
Total	<u>\$ 596,651,702</u>	<u>\$ 561,535,848</u>

In July 2003, the Agency issued \$18,855,000 of Tax Allocation Bonds to finance various redevelopment activities in the Horton Plaza Project Area. The bonds were issued the following ratings:

Bond Series	Bond Amount	Rating Agency	
		Moody's	Fitch, Inc.
Horton Plaza 2003A	\$ 6,325,000	Baa2	BBB+
Horton Plaza 2003B	\$ 4,530,000	No Rating	No Rating
Horton Plaza 2003C	\$ 8,000,000	Baa3	BBB

In December 2003, the Agency issued \$5,820,000 of Tax Allocation Bonds to finance various redevelopment activities in the City Heights Project Area. The bonds were issued with an A- rating from Standard and Poor's and Fitch, Inc.

In December 2003, the Agency issued \$12,505,000 of Tax Allocation Bonds to finance various redevelopment activities in the North Park Project Area. The bonds were issued the following ratings.

Rating Agency	Insured Rating	Underlying Rating
S&P	AAA	A-
Moody's	Aaa	Baa1
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).

**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 Auditor and Comptroller, 202 C Street, San Diego MS 6A, CA 92101 or e-mailed to the City Auditor and Comptroller at [auditor@sandiego.gov](mailto:auditor@sandiego.gov). This financial report is also available on the City's website at [www.sandiego.gov](http://www.sandiego.gov), under the Auditor and Comptroller department.

\* \* \*

Basic Financial Statements  
Component Unit

**STATEMENT OF NET ASSETS**  
**June 30, 2004**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash or Equity in Pooled Cash and Investments .....	\$ 158,843,118
Cash and Investments With Fiscal Agent .....	37,789,419
Investments at Fair Value .....	53,686,073
Receivables:	
Taxes .....	2,872,804
Notes .....	28,209,995
Accrued Interest .....	445,970
Working Capital Advances:	
Centre City Development Corporation .....	645,000
Southeastern Economic Development Corporation .....	158,977
Other Agencies .....	20,000
Land Held for Resale .....	35,233,628
Prepaid Expense .....	3,116
Deferred Charges .....	3,701,452
Capital Assets - Non-Depreciable .....	101,719,492
Capital Assets - Depreciable .....	7,722,992
	431,052,036
<b>TOTAL ASSETS</b> .....	<b>431,052,036</b>
<b>LIABILITIES</b>	
Accounts Payable .....	5,783,073
Interest Accrued on Long-Term Debt .....	5,017,413
Long-Term Debt Due Within One Year .....	12,697,014
Sundry Trust Liabilities .....	4,490,788
Arbitrage Liability .....	249,199
Land Acquisition Credit .....	23,025,000
Long Term Liabilities Due After One Year:	
Contracts Payable .....	1,714,867
Notes Payable .....	18,174,778
Loans Payable .....	227,471,606
Net Bonds Payable .....	336,511,575
	635,135,313
<b>TOTAL LIABILITIES</b> .....	<b>635,135,313</b>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt .....	(1,202,258)
Restricted for:	
Low and Moderate Income Housing .....	63,737,108
Unrestricted (Deficit) .....	(266,618,127)
	(204,083,277)
<b>TOTAL NET ASSETS</b> .....	<b>\$ (204,083,277)</b>

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

**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2004**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue</u>
		<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>(Expenses) and Changes in Net Assets</u>
				<u>Total Governmental Activities</u>
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General Government and Support .....	\$ 25,665,710	\$ 433,500	\$ -	\$ (25,232,210)
Neighborhood Services .....	28,466,184	3,061,361	3,975,152	(21,429,671)
Interest on Long-Term Debt .....	<u>27,030,212</u>	<u>-</u>	<u>-</u>	<u>(27,030,212)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES .....</b>	<b>\$ 81,162,106</b>	<b>\$ 3,494,861</b>	<b>\$ 3,975,152</b>	<b>(73,692,093)</b>
<b>General Revenue and Transfers:</b>				
Property Taxes .....				69,452,601
Grants and Contributions Not Restricted to Specific Programs .....				1,701,162
Revenue from Use of Money and Property .....				4,796,486
Gain on Land Held for Resale .....				3,120,396
Miscellaneous .....				<u>300,000</u>
<b>TOTAL GENERAL REVENUES AND TRANSFERS .....</b>				<b>79,370,645</b>
<b>CHANGE IN NET ASSETS .....</b>				<b>5,678,552</b>
Net Assets at Beginning of Year .....				<u>(209,761,829)</u>
<b>NET ASSETS AT END OF YEAR .....</b>				<b>\$ (204,083,277)</b>

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2004**

	Special Revenue		
	Low/Mod Centre City	Other Centre City	Other Horton Plaza
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 15,775,260	\$ 63,012,565	\$ 14,027,902
Cash and Investments with Fiscal Agent.....	-	-	-
Investments at Fair Value.....	-	25,139,965	15,809,959
Receivables:			
Taxes.....	385,052	1,540,207	71,664
Notes.....	10,245,764	-	-
Interest.....	31,684	142,619	38,345
From Other Funds.....	-	-	-
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	-	-	-
General Working Capital.....	-	-	-
Land Held for Resale.....	12,669,389	-	-
Prepaid Items and Deposits.....	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 39,107,149</b>	<b>\$ 89,835,356</b>	<b>\$ 29,947,870</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 44,623	\$ -	\$ -
Deferred Revenue.....	1,300,000	-	-
Due to Other Funds.....	-	29,428,146	20,023,671
Sundry Trust Liabilities.....	108,615	-	-
<b>TOTAL LIABILITIES.....</b>	<b>1,453,238</b>	<b>29,428,146</b>	<b>20,023,671</b>
<b>FUND BALANCES</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	12,669,389	-	-
Reserved for Encumbrances.....	8,727,388	-	-
Reserved for Advances and Deposits.....	-	-	-
Reserved for Low and Moderate Income Housing.....	16,257,134	-	-
Reserved for Debt Service.....	-	-	-
Unreserved:			
Reported in Special Revenue Funds:			
Designated for Unrealized Gain.....	-	65,043	7,777
Designated for Debt Services.....	-	52,414,990	8,227,585
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	7,927,177	1,688,837
Reported in Debt Service Funds:			
Designated for Unrealized Gain.....	-	-	-
Reported in Capital Project Funds:			
Designated for Unrealized Gain.....	-	-	-
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>37,653,911</b>	<b>60,407,210</b>	<b>9,924,199</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 39,107,149</b>	<b>\$ 89,835,356</b>	<b>\$ 29,947,870</b>

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

<u>Debt Service</u> Centre City	<u>Capital Project</u> Centre City	Other Governmental Funds	Total Governmental Funds
\$ 201	\$ 34,084,807	\$ 31,942,383	\$ 158,843,118
23,705,500	-	14,083,919	37,789,419
-	-	12,736,149	53,686,073
-	-	875,881	2,872,804
-	2,484,040	15,480,191	28,209,995
70,929	62,501	99,892	445,970
4,386,598	25,041,548	23,973,209	53,401,355
-	370,000	275,000	645,000
-	-	158,977	158,977
-	-	20,000	20,000
-	20,984,233	1,580,006	35,233,628
3,116	-	-	3,116
<u>\$ 28,166,344</u>	<u>\$ 83,027,129</u>	<u>\$ 101,225,607</u>	<u>\$ 371,309,455</u>
\$ -	\$ 3,407,783	\$ 2,330,667	\$ 5,783,073
-	2,413,589	3,092,129	6,805,718
-	-	3,949,538	53,401,355
-	4,248,813	133,360	4,490,788
-	10,070,185	9,505,694	70,480,934
-	20,984,233	1,580,006	35,233,628
-	20,110,599	13,689,029	42,527,016
3,116	370,000	453,977	827,093
28,105,731	-	17,055,996	33,313,130
-	-	20,380,372	48,486,103
-	-	35,352	108,172
-	-	8,111,999	68,754,574
-	-	7,712,386	7,712,386
-	-	8,830,242	18,446,256
57,497	-	99,983	157,480
-	870	-	870
-	22,893,770	13,319,010	36,212,780
-	8,597,472	451,561	9,049,033
<u>28,166,344</u>	<u>72,956,944</u>	<u>91,719,913</u>	<u>300,828,521</u>
<u>\$ 28,166,344</u>	<u>\$ 83,027,129</u>	<u>\$ 101,225,607</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. 109,442,484

Other assets and liabilities used in governmental activities are not financial resources, and therefore, are not reported in the funds. 10,507,170

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. (624,861,452)

Net Assets of Governmental Activities \$ (204,083,277)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2004**

	Special Revenue		
	Low/Mod Centre City	Other Centre City	Other Horton Plaza
<b>REVENUES</b>			
Tax Increments.....	\$ 8,917,040	\$ 10,056,578	\$ 1,161,904
Interest.....	202,017	857,147	276,287
Rents.....	199,594	-	-
Private Sources.....	133,504	-	-
City Participation.....	-	1,466,818	-
Other Revenue.....	-	-	-
<b>TOTAL REVENUES.....</b>	<b>9,452,155</b>	<b>12,380,543</b>	<b>1,438,191</b>
<b>EXPENDITURES</b>			
Current:			
Administration.....	472,570	-	-
Legal.....	143,492	-	-
Plans and Surveys.....	100,091	-	-
Acquisition Expenditure.....	-	-	-
Real Estate/Fixture Purchases.....	-	-	-
Property Management.....	20,075	-	-
Relocation.....	-	-	-
Rehabilitation.....	135,504	-	-
Site Clearance.....	-	-	-
Project Improvements.....	7,671	-	-
Promotions and Marketing.....	-	-	-
Bond Sale Expenditure.....	-	-	158,645
Program Management.....	125,360	-	-
Rehabilitation Loans.....	164,758	-	-
Housing Subsidies.....	-	-	-
Tax Sharing Payments.....	-	2,105,829	-
ERAF Payments.....	-	1,660,564	-
Other.....	-	-	-
City Capital Outlay.....	-	-	-
Debt Service:			
Principal.....	-	-	-
Interest.....	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>1,169,521</b>	<b>3,766,393</b>	<b>158,645</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>8,282,634</b>	<b>8,614,150</b>	<b>1,279,546</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Bonds, Developer Loans and Notes.....	-	-	18,855,000
Contributions from Public Facilities Financing Authority.....	-	-	-
Loans from the City of San Diego.....	-	-	-
Transfers from Other Funds.....	-	10,637,496	58,452
Transfers from Bond Proceeds.....	-	-	-
Discount on Bonds Issued.....	-	-	(10,628)
Transfers to Other Funds.....	(2,000,000)	(19,048,661)	(18,532,121)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(2,000,000)</b>	<b>(8,411,165)</b>	<b>370,703</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>6,282,634</b>	<b>202,985</b>	<b>1,650,249</b>
Fund Balances at July 1, 2003.....	31,371,277	60,204,225	8,273,950
<b>FUND BALANCES AT JUNE 30, 2004.....</b>	<b>\$ 37,653,911</b>	<b>\$ 60,407,210</b>	<b>\$ 9,924,199</b>

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

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other</u>	<u>Total</u>
<u>Centre</u>	<u>Centre</u>	<u>Governmental</u>	<u>Governmental</u>
<u>City</u>	<u>City</u>	<u>Funds</u>	<u>Funds</u>
\$ 17,455,019	\$ 8,156,562	\$ 23,705,498	\$ 69,452,601
189,641	355,160	519,613	2,399,865
-	748,400	1,323,327	2,271,321
-	5,625,354	498,016	6,256,874
481,823	99,492	1,003	2,049,136
-	3,624,876	1,393,748	5,018,624
<u>18,126,483</u>	<u>18,609,844</u>	<u>27,441,205</u>	<u>87,448,421</u>
-	5,105,465	7,860,489	13,438,524
-	1,057,756	787,608	1,988,856
-	2,220,075	1,420,777	3,740,943
-	13,816	535,931	549,747
-	2,437,382	4,205	2,441,587
-	194,822	218,575	433,472
-	350,869	369,526	720,395
-	1,670,430	125,775	1,931,709
-	9,072	-	9,072
-	23,999,090	6,101,504	30,108,265
-	69,277	-	69,277
-	-	811,765	970,410
-	3,104,658	406,538	3,636,556
-	-	3,545,000	3,709,758
-	-	1,135,000	1,135,000
-	-	3,052,797	5,158,626
-	-	986,455	2,647,019
-	322,064	-	322,064
-	400,787	1,510,128	1,910,915
10,302,611	500,000	3,444,075	14,246,686
11,938,225	500,000	6,833,843	19,272,068
<u>22,240,836</u>	<u>41,955,563</u>	<u>39,149,991</u>	<u>108,440,949</u>
<u>(4,114,353)</u>	<u>(23,345,719)</u>	<u>(11,708,786)</u>	<u>(20,992,528)</u>
-	-	18,325,000	37,180,000
-	1,570,230	-	1,570,230
-	174,177	1,335,616	1,509,793
3,577,075	116,600	10,625,059	25,014,682
4,082,104	13,391,407	29,142,817	46,616,328
-	-	-	(10,628)
<u>(279,523)</u>	<u>(10,476,498)</u>	<u>(21,294,207)</u>	<u>(71,631,010)</u>
<u>7,379,656</u>	<u>4,775,916</u>	<u>38,134,285</u>	<u>40,249,395</u>
3,265,303	(18,569,803)	26,425,499	19,256,867
<u>24,901,041</u>	<u>91,526,747</u>	<u>65,294,414</u>	<u>281,571,654</u>
<u>\$ 28,166,344</u>	<u>\$ 72,956,944</u>	<u>\$ 91,719,913</u>	<u>\$ 300,828,521</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, 2004**

Net change in fund balances - total governmental funds (page 33)	\$	19,256,867
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.		18,615,594
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		1,272,440
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.		(32,959,816)
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.		<u>(506,533)</u>
Change in net assets of governmental activities (page 29)	\$	<u>5,678,552</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, 2004**

**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 16 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 bond proceeds. This fund also accounts for transfers to the Centre City Capital Project Fund, the Centre City Debt Service Fund and payments to Other Taxing Entities.

Horton Plaza Other Special Revenue Fund – The Horton Plaza Other Special Revenue Fund is used to account for specific revenue sources related to the Horton Plaza Redevelopment Project Area such as tax increment revenue and bond proceeds. This fund also accounts for transfers to the Horton Plaza Capital Project Fund, the Horton Plaza 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 Project Fund – The Centre City Capital Project Fund is used to account for 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Governmental fund financial statements** are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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.

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 Project funds, and the Low and Moderate Income Housing Special Revenue funds.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 or the Horton Plaza Other Special Revenue Major funds. A budget to actual comparison for the Centre City Low and Moderate Income Housing Fund is presented in page 58 of this report.

During the proposed budgetary hearing, public comment is heard. The Agency budget is then legally adopted generally during the months of May or June, through passage of an ordinance by the City Council and resolutions by the Agency 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 Ordinance.

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 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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*. Note 3 of the notes to the financial statements contain 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 Revenue

In the fund financial statements, deferred revenue represents revenues which have not met the recognition criteria based on the modified accrual basis of accounting.

### k. 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### l. 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 and proceeds from the issuance of long term debt are originally deposited in Special Revenue funds. As expenditures are incurred in the Capital Project 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.

### m. 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. Historically, these credits have been used for infrastructure projects, such as the Ballpark. The Land acquisition credits are used against the sales price of other property within the Project Area.

### n. 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. Capital appreciation bond accretion, 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.

### o. 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.

### p. 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.

### q. 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- 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 appropriate 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.

r. 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.

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

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 \$10,507,170 difference are as follows:

Deferred Charges, net July 1, 2003	\$ 2,957,182
Issuance Costs	970,410
Amortization Expense	<u>(226,140)</u>
Deferred Charges, net June 30, 2004	<u>3,701,452</u>
 Deferred Revenues	
Related to Notes Receivable	<u>6,805,718</u>
Net adjustment to decrease Total Fund Equity – Governmental Funds to arrive at Total Net Assets of Governmental Activities	<u><u>\$ 10,507,170</u></u>

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

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. 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 \$(624,861,452) difference are as follows:

Bonds Payable	\$ (346,213,071)
Net Premiums and Discounts on Bond Issuances	81,862
Contracts Payable	(1,714,867)
Notes Payable	(18,239,613)
Loans Payable	(230,484,151)
Accrued Interest Payable	(5,017,413)
Arbitrage Liability	(249,199)
Land Acquisition Credits	<u>(23,025,000)</u>
Net adjustment to decrease Total Fund Equity – Governmental Funds to arrive at Total Net Assets of Governmental Activities	<u><u>\$ (624,861,452)</u></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 \$18,615,594 difference are as follows:

Capital outlay	\$ 18,850,384
Depreciation expense	<u>(234,790)</u>
Net adjustment to increase Net Changes in Fund Balances – Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	<u><u>\$ 18,615,594</u></u>

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

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 \$(32,959,816) difference are as follows:

Debt Issued or Incurred:	
Issuance of Tax Allocation Bonds	\$ (37,180,000)
Less Discounts	10,628
Bond issuance costs	970,410
Accretion on Capital Appreciation Bonds	(1,582,499)
Loans Incurred	(1,509,793)
Accrued Interest on Loans	(7,057,640)
Accrued Interest on Notes	(726,682)
Acquisition Credits Issued	(2,325,000)
Principal Repayments:	
Revenue Bond Debt	260,000
Tax Allocation Debt	7,739,291
Loans Payable	3,662,129
Contracts Payable	167,442
Notes Payable	2,417,824
Loans Payable Interest	1,894,074
Forgiven Debt:	
Loans Payable	300,000
Recharacterized Debt:	
Loans Payable	3,500,000
Acquisition Credits	<u>(3,500,000)</u>
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	<u>\$ (32,959,816)</u>

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 \$(506,533) difference are as follows:

Change in Accrued interest on long-term debt	\$ (102,412)
Change in Arbitrage Liability	5,005
Amortization of bond issuance costs	(226,140)
Amortization of bond premiums, discounts and deferred charge on refunding	<u>(182,986)</u>
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	<u>\$ (506,533)</u>

### 3. CASH AND INVESTMENTS

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

	Governmental Activities
Cash or Equity in Pooled Cash & Investments	\$ 158,843,118
Cash & Investments with Fiscal Agent	37,789,419
Investments at Fair Value	53,686,073
Total	<u>\$ 250,318,610</u>

a. Cash or Equity in Pooled Cash and Investments

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 share of the City's pooled cash and investments and the carrying amount of its Investments at Fair Value are 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, and the assets of trust funds which are placed in the custody of the Funds Commission 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.

### 3. CASH AND INVESTMENTS (Continued)

In addition to the Policy, authorized cash deposits and investments are governed by state law. Within the context of these limitations, permissible investments include:

- (1) Obligations of the U.S. government and federal agencies with a maximum maturity of five years,
- (2) Commercial paper rated A-1+ by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch,
- (3) Banker's acceptances,
- (4) Negotiable certificates of deposit issued by a nationally or state chartered bank or a state or federal savings and loan institution or a state-licensed branch of a foreign bank,
- (5) Repurchase and reverse repurchase agreements,
- (6) The local agency investment fund established by the State Treasurer,
- (7) Financial futures transactions to hedge against changes in market conditions for the reinvestment of bond proceeds,
- (8) Government agency mortgage-backed securities and other AAA rated asset-backed securities with a maximum maturity of five years,
- (9) Medium-term corporate notes of a maximum of three years maturity issued by corporations operating within the United States,
- (10) Shares of beneficial interest issued by diversified management companies, as defined in Section 23701(m) of the California Revenue and Taxation Code,
- (11) Non-negotiable time deposits collateralized in accordance with California Government Code,
- (12) Floating rate notes whose coupon resets are based upon a single fixed income index,
- (13) Structured notes issued by U.S. government agencies that contain imbedded calls or options as long as those securities are not inverse floaters, range notes, interest only strips or a security that could result in a zero or negative accretion of interest if held to maturity, and
- (14) Financial futures given they are only used to hedge against changes in market conditions for the reinvestment of bond proceeds when deemed appropriate.

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.

### 3. CASH AND INVESTMENTS (Continued)

#### 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. Custodial Credit Risk

##### Deposits

At June 30, 2004, the bank balance of the Agency's deposits, which equals the carrying amount, was \$616,260, all of which was cash held with fiscal agents. Of this amount, \$100,000 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. However, the remaining \$516,260 of deposits with fiscal agents was uninsured and uncollateralized.

##### Investments

The Agency's investments at June 30, 2004 are categorized as described below:

- Category 1: Insured or registered, with securities held by the City or its agent in the City's name.
- Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3: Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.
- Non-Categorized: Includes investments made directly with another party, real estate, direct investments in mortgages and other loans, open-end mutual funds, pools managed by other governments, annuity contracts, and guaranteed investment contracts.

The following table categorizes the cash and investments held by the Agency as of June 30, 2004:

	Category 1	Category 2	Non Categorized	Carrying Value
Cash or Equity in				
City Pooled Cash & Investments	\$ -	\$ -	\$ 158,843,118	\$ 158,843,118
US Treasury Bills	2,045,440	6,702,786	-	8,748,226
US Treasury Notes & Bonds	7,762,989	13,040,531	-	20,803,520
US Agency Notes	43,877,644	6,422,611	-	50,300,255
Guaranteed Investment Contract	-	-	966,328	966,328
Money Market Mutual Funds	-	-	10,040,903	10,040,903
Total Investments	<u>\$ 53,686,073</u>	<u>\$ 26,165,928</u>	<u>\$ 169,850,349</u>	249,702,350
Cash Held with Fiscal Agents				<u>616,260</u>
Total Cash and Investments				<u>\$ 250,318,610</u>

#### 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Non-Depreciable Capital Assets:				
Land	\$ 82,869,108	\$ 2,274,242	\$ -	\$ 85,143,350
Constructions in Progress	-	16,576,142	-	16,576,142
Total Non-Depreciable Capital Assets	<u>82,869,108</u>	<u>18,850,384</u>	<u>-</u>	<u>101,719,492</u>
Depreciable Capital Assets:				
Structures and Improvements	8,106,544	-	-	8,106,544
Equipment	818,706	-	-	818,706
Total Depreciable Capital Assets	<u>8,925,250</u>	<u>-</u>	<u>-</u>	<u>8,925,250</u>
Less Accumulated Depreciation for:				
Structures and Improvements	(405,328)	(202,664)	-	(607,992)
Equipment	(562,140)	(32,126)	-	(594,266)
Total Accumulated Depreciation	<u>(967,468)</u>	<u>(234,790)</u>	<u>-</u>	<u>(1,202,258)</u>
Total Depreciable Capital Assets, Net	<u>7,957,782</u>	<u>(234,790)</u>	<u>-</u>	<u>7,722,992</u>
Governmental Activities Capital Assets, Net	<u>\$ 90,826,890</u>	<u>\$ 18,615,594</u>	<u>\$ -</u>	<u>\$ 109,442,484</u>

Depreciation expense was charged to the Neighborhood Services governmental activities function in the amount of \$ 234,790.

#### 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, 2004, is as follows:

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2004
<u>Revenue Bonds:</u>				
Centre City Parking Revenue Bonds, Series 1999 A	4.5-6.49%	2026	\$ 12,105,000	\$ 11,365,000
Centre City Parking Revenue Bonds, Series 2003 B	3.0-5.3	2027	20,515,000	<u>20,515,000</u>
Total Revenue Bonds				<u>31,880,000</u>
<u>Tax Allocation Bonds:</u>				
Centre City Redevelopment Project Tax Allocation Bonds, Series 1993 A	5.5-6.5	2011	27,075,000	13,850,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 1993 B	4.875-5.4	2017	27,275,000	19,655,000
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995	7.8-9.75	2014	1,400,000	940,000

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

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2004
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 A	4.4-6.0	2020	1,200,000	960,000
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 B	6.9-8.2	2021	3,955,000	3,400,000
Southcrest Redevelopment Project Tax Allocation Bonds, Series 1995	4.75-6.592	2020	3,750,000	2,660,000
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 A	3.8-6.0	2016	12,970,000	9,585,000
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 B	4.3-7.0	2007	9,830,000	1,155,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 A	3.0-5.125	2019	25,680,000	25,390,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 B	6.25	2014	11,360,000	11,360,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 C	3.1-4.75	2025	13,610,000	12,835,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 A	4.5-5.8	2029	5,690,000	5,690,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 B	Various*	2029	10,140,523	13,745,458
Central Imperial Redevelopment Project Tax Allocation Bonds, Series 2000	4.45-6.6	2031	3,395,000	3,260,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 A	4.0-5.6	2025	6,100,000	5,665,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 B	3.95-5.35	2025	21,390,000	20,565,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.8	2022	15,025,000	14,680,000
North Bay Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875	2031	13,000,000	12,340,000
North Park Redevelopment Project Tax Allocation Bonds, Series 2000	4.1-5.9	2031	7,000,000	6,650,000
Southcrest Redevelopment Project Tax Allocation Bonds, Series 2000	4.45-6.5	2026	1,860,000	1,750,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2001 A	Various**	2027	58,425,100	60,082,613
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 2002 A	5.0	2027	3,055,000	3,055,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2003 A	2.5-5.0	2029	31,000,000	27,880,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 A	5.875-6.5	2034	4,955,000	4,955,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 B	2.5-4.25	2014	865,000	865,000

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

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2004
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 A	4.65-5.1	2022	6,325,000	6,325,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 B	3.25-5.45	2022	4,530,000	4,530,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 C	3.49-4.9	2022	8,000,000	8,000,000
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 A	1.5-5.35	2028	7,145,000	7,145,000
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 B	4.75-5	2034	5,360,000	5,360,000
Total Tax Allocation Bonds				314,333,071
Total Bonds Payable				346,213,071
<u>Contracts Payable:</u>				
Contract Payable to SDSU Foundation, dated December 1991	7.02	unscheduled	1,597,744	1,597,744
Contract Payable to SDSU Foundation, amendment dated January 1995	7.02	unscheduled	117,123	117,123
Total Contracts Payable				1,714,867
<u>Notes Payable:</u>				
Note Payable to Lorren Daro, dated March 1995	8.0	2005	256,814	30,065
Note Payable to Wal-Mart, dated June 1998	10.0	2017	1,308,000	852,646
Note Payable to San Diego Revitalization, dated April 2001	5.0	unscheduled	5,115,000	5,115,000
Notes Payable to the City of San Diego dated various dates	Various	Various	12,241,902	12,241,902
Total Notes Payable				18,239,613
<u>Loans Payable:</u>				
Padres, L.P. - Centre City dated August 2003	6.0	2005	3,500,000	3,000,000
International Gateway Associates, LLC dated October 2001	10.0	unscheduled	1,876,000	1,864,595
City of San Diego dated various dates	Various	Various	225,619,556	225,619,556
Total Loans Payable				230,484,151
Total Governmental Activities				\$ 596,651,702

\*The City Heights Tax Allocation Bonds Series 1999 B are capital appreciation bonds which mature in 2029. The balance outstanding at June 30, 2004, includes principal of \$10,051,232 and an accreted amount of \$3,694,226. The principal amounts at full maturity will be \$33,910,000.

\*\*A portion of the Centre City Tax Allocation Bonds Series 2001 A are capital appreciation bonds which mature in 2015-2027. The balance outstanding at June 30, 2004, includes principal of \$58,020,100 and an accreted amount of \$2,062,513. The principal amounts at full maturity will be \$85,140,000.

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

### 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, 2004, including interest payments to maturity, are as follows:

Year Ending June 30,	Revenue Bonds		Tax Allocation Bonds		
	Principal	Interest	Principal	Unaccrued Appreciation	Interest
2005	\$ 825,000	\$ 1,641,067	\$ 8,728,167	\$ 66,467	\$ 14,674,227
2006	855,000	1,609,897	8,855,742	137,681	14,310,864
2007	890,000	1,577,212	9,305,387	199,399	13,927,154
2008	920,000	1,542,684	9,881,018	258,744	13,516,801
2009	960,000	1,504,981	10,357,552	303,846	13,076,545
2010 - 2014	5,450,000	6,822,678	61,254,994	3,157,159	56,394,038
2015 - 2019	6,975,000	5,244,718	76,234,859	8,968,332	38,873,441
2020 - 2024	9,140,000	3,001,458	68,849,475	19,090,525	20,570,617
2025 - 2029	5,865,000	445,093	44,458,485	18,796,515	6,741,581
2030 - 2034	-	-	10,650,653	-	1,160,483
Subtotal	31,880,000	23,389,788	308,576,332	50,978,668	193,245,751
Add: Accrued appreciation through June 30, 2004	-	-	5,756,739	-	-
Total	\$ 31,880,000	\$ 23,389,788	\$ 314,333,071	\$ 50,978,668	\$ 193,245,751

Year Ending June 30,	Contracts Payable		Notes Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ -	\$ -	\$ 64,835	\$ 341,015	\$ 3,012,545	\$ 366,460
2006	-	-	38,247	337,538	13,800	185,205
2007	-	-	42,071	333,713	15,180	183,825
2008	-	-	46,278	329,506	16,698	182,307
2009	-	-	50,906	324,878	18,367	180,637
2010 - 2014	-	-	341,866	1,432,498	123,349	871,675
2015 - 2019	-	-	298,508	1,340,345	198,653	796,369
2020 - 2024	-	-	-	1,278,750	319,933	675,090
2025 - 2029	-	-	-	1,278,750	515,256	479,767
2030 - 2034	-	-	-	767,250	630,814	165,199
Unscheduled*	1,714,867	-	17,356,902	-	225,619,556	-
Total	\$ 1,714,867	\$ -	\$ 18,239,613	\$ 7,764,243	\$ 230,484,151	\$ 4,086,534

\*The contract payable to SDSU Foundation in the amount of \$1,714,867, notes payable to the San Diego Revitalization Corporation in the amount of \$5,115,000, notes payable to the City in the amount of \$12,356,902, and loans payable to the City in the amount of \$225,619,556 do not have annual repayment schedules.

**5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)****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, 2004. The effects of bond accretion, bond premiums, discounts and deferred amounts on bond refunds are amortized as adjustments to long-term liabilities with corresponding adjustments made to beginning balances

	Balance, July 1, 2003	Additions	Reductions	Balance, June 30, 2004	Due Within One Year
Revenue Bonds	\$ 32,140,000	\$ -	\$ (260,000)	\$ 31,880,000	\$ 825,000
Less deferred amounts:					
For Issuance Discounts	(122,152)	-	8,173	(113,979)	-
Net Revenue Bonds	32,017,848	-	(251,827)	31,766,021	825,000
Tax Allocation Bonds	279,135,623	37,180,000	(7,739,291)	308,576,332	8,794,634
Accretion	4,174,240	1,582,499	-	5,756,739	-
Net with Accretion	283,309,863	38,762,499	(7,739,291)	314,333,071	8,794,634
Less/Plus deferred amounts:					
For Issuance Premiums/Discounts	629,685	(10,628)	(38,801)	580,256	-
On Refunding	(761,753)	-	213,614	(548,139)	-
Net Tax Allocation Bonds	283,177,795	38,751,871	(7,564,478)	314,365,188	8,794,634
Contracts Payable	1,882,309	-	(167,442)	1,714,867	-
Notes Payable	19,930,755	726,682	(2,417,824)	18,239,613	64,835
Loans Payable	224,272,921	12,067,433	(5,856,203)	230,484,151	3,012,545
Total	<u>\$ 561,281,628</u>	<u>\$51,545,986</u>	<u>\$ (16,257,774)</u>	<u>\$ 596,569,840</u>	<u>\$12,697,014</u>

Additions to governmental activities long-term debt for Notes and Loans Payable differs from proceeds reported on the Statement of Revenues, Expenditures and Changes in Fund Balances due to the inclusion of accumulated interest on notes and loans payable to the City. In the current year, accrued interest of \$7,057,640 and \$726,682 was added to Loans and Notes Payable respectively. Additional loans from the City incurred in the current year for the purpose of funding various redevelopment activities totaled \$1,509,793 (See Note 10).

Also, \$3,500,000 in land acquisition credits issued in prior years, due to Padres LP, were recharacterized as an interest bearing loan under an agreement reached in the current fiscal year.

In the current fiscal year, the Agency issued Tax Allocation Bonds in the amount of \$18,855,000 for the Horton Plaza Project Area, \$5,820,000 for the City Heights Project Area and \$12,505,000 for the North Park Project Area. Proceeds of the bonds will be used to finance various redevelopment activities.

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

As of June 30, 2004, principal amounts payable from escrow (irrevocable trust) funds established for defeased bonds are as follows:

Defeased Bonds	Amount Outstanding as of June 30, 2004
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 B	\$ 6,640,000

**6. SHORT-TERM DEBT**

The Agency issues short-term promissory notes to finance project improvement activities. These promissory notes may be repaid with housing set-aside funds, in-lieu and land payment funds, and/or discretionary tax increment funds.

Short-term debt activity for the year ended June 30, 2004, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Note Payable to San Diego Revitalization, dated February 2003	\$ 2,595,495	\$ -	\$ (2,595,495)	\$ -

**7. 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, 2004 are as follows:

Contributing Fund (Receivable)	Benefiting Fund (Payable)			Total Governmental Funds
	Special Revenue		Other Governmental	
	Other Centre City	Other Horton Plaza		
Centre City Debt Service	\$ 4,386,598	\$ -	\$ -	\$ 4,386,598
Centre City Capital Projects	25,041,548	-	-	25,041,548
Other Governmental Funds	-	20,023,671	3,949,538	23,973,209
Total Governmental Funds	<u>\$ 29,428,146</u>	<u>\$ 20,023,671</u>	<u>\$ 3,949,538</u>	<u>\$ 53,401,355</u>

## 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

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, 2004 are as follows:

Contributing Fund (Receivable)	Benefiting Fund (Payable)					
	Special Revenue		Centre City Debt Service	Centre City Capital Projects	Other Governmental	Total Governmental Funds
	Other Centre City	Other Horton Plaza				
Centre City Low/Mod Special Revenue	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Centre City Other Special Revenue	-	-	5,657,254	13,391,407	-	19,048,661
Horton Plaza Other Special Revenue	-	58,452	-	-	18,473,669	18,532,121
Centre City Debt Service	274,923	-	-	4,600	-	279,523
Centre City Capital Projects	10,362,573	-	1,925	112,000	-	10,476,498
Other Governmental Funds	-	-	-	-	21,294,207	21,294,207
Total Governmental Funds	<u>\$ 10,637,496</u>	<u>\$ 58,452</u>	<u>\$ 7,659,179</u>	<u>\$ 13,508,007</u>	<u>\$ 39,767,876</u>	<u>\$ 71,631,010</u>

## 8. NET ASSETS DEFICIT

The Agency has a net assets deficit of \$(204,083,277) at June 30, 2004, which includes a deficit in unrestricted net assets of \$(266,618,127). 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.

## 9. FUND DEFICIT

The following table identifies funds with a net deficit as of June 30, 2004:

Fund	Net Deficit
Barrio Logan Capital Project	\$ (474,418)
College Community Capital Project	(510,796)
College Grove Capital Project	(130,669)
Crossroads Capital Project	(169,248)
Naval Training Center Capital Project	(301)

All of the deficits can be attributed to timing of inflows of financial resources. Most expenditures in Capital Project 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 Project Funds and will be reimbursed at the time of payment the following year.

## 10. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2004, the Agency received loans from the City totaling \$1,509,793 to fund redevelopment activity in the following project areas:

Barrio Logan	\$	167,098
Central Imperial		346,666
Centre City		174,177
Crossroads		279,360
North Park		150,868
Southcrest		<u>391,624</u>
Total	\$	<u>1,509,793</u>

In addition, during the year ended June 30, 2004, the Agency received contributions from the City totaling \$2,049,136. Most of the contributions received were for payment of debt service related to parking revenue bonds used for the construction of parking structures in the Centre City Project Area.

During the year ended June 30, 2004, the Agency's participation in various City Capital Improvement Projects totaled. This participation included work in the Central Imperial, Centre City, City Heights, North Bay and San Ysidro project areas.

## 11. SUBSEQUENT EVENTS

On July 28, 2004, the Redevelopment Agency of the City of San Diego issued \$147,725,000 of Subordinate Tax Allocation and Tax Allocation Housing Bonds for the purpose of financing redevelopment activities, including the development of low and moderate income housing, and to make payments pursuant to an MOU with the San Diego Padres in connection with development of the new PETCO Ballpark. A portion of the bonds were issued to refund \$33,500,000 of the Agency's outstanding Series 1993 Bonds. The Series 2004 A and B Bonds are payable from and secured by subordinate pledged tax revenues, and the Series 2004 C and D Bonds are payable from and secured by pledged housing tax revenues. The interest rates on the bonds range from 2.26 to 6.28 percent, with maturity dates of September 1, 2029 for the Series A, C and D Bonds and September 1, 2010 for the Series B Bonds.

On May 3, 2005, the Agency approved the adoption of the Grantville Redevelopment Project Area.

On June 22, 2006, the Agency issued \$76,225,000 of Subordinate and \$33,760,000 of Housing Tax Allocation Bonds. The Subordinate bonds were issued for the purpose of financing certain redevelopment activities within the Centre City Project, to pay the costs of a debt service reserve surety bonds and the costs of issuance in connection with the Series 2006A Subordinate Bonds. The Housing bonds were issued for the purpose of financing certain improvements relating to, or increasing the development of low and moderate income housing, to pay the costs of the a debt service reserve surety bonds and the costs of the issuance for the Series 2006B Housing Bonds. The Series 2006 A and B Bonds are payable from and secured by subordinate pledged tax revenues derived from the Centre City Redevelopment Project Area. The interest rate on the bonds ranges from 4.25 to 6.20 percent and the maturity date for the 2006A issue is September 1, 2032 and for the 2006B issue is September 1, 2031.

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Required Supplementary Information

**CENTRE CITY LOW AND MODERATE INCOME HOUSING  
SPECIAL REVENUE FUND  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended June 30, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Tax Increments.....	\$ 2,791,000	\$ 2,791,000	\$ 8,917,040	\$ 6,126,040
Interest.....	159,000	159,000	202,017	43,017
Rents.....	-	-	199,594	199,594
Private Sources.....	4,225,000	4,225,000	133,504	(4,091,496)
Other Revenue.....	365,000	365,000	-	(365,000)
<b>TOTAL REVENUES.....</b>	<b>7,540,000</b>	<b>7,540,000</b>	<b>9,452,155</b>	<b>1,912,155</b>
<b>EXPENDITURES</b>				
Administration.....	425,000	425,000	472,570	(47,570)
Legal.....	50,000	50,000	185,607	(135,607)
Plans and Surveys.....	50,000	50,000	112,580	(62,580)
Acquisition Expeniture.....	50,000	50,000	-	50,000
Real Estate/Fixture Purchases.....	200,000	200,000	5,000	195,000
Property Management.....	-	-	23,172	(23,172)
Relocation.....	-	-	8	(8)
Rehabilitation.....	40,055,000	40,055,000	4,419,861	35,635,139
Project Improvements.....	-	-	185,535	(185,535)
Program Management.....	-	-	130,359	(130,359)
Rehabilitation Loans.....	-	-	4,362,217	(4,362,217)
<b>TOTAL EXPENDITURES.....</b>	<b>40,830,000</b>	<b>40,830,000</b>	<b>9,896,909</b>	<b>30,933,091</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(33,290,000)</b>	<b>(33,290,000)</b>	<b>(444,754)</b>	<b>32,845,246</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Bonds, Developer Loans and Notes.....	33,290,000	33,290,000	-	(33,290,000)
Transfers to Other Funds.....	-	(2,000,000)	(2,000,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>33,290,000</b>	<b>31,290,000</b>	<b>(2,000,000)</b>	<b>(33,290,000)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>-</b>	<b>(2,000,000)</b>	<b>(2,444,754)</b>	<b>(444,754)</b>
Fund Balances at July 1, 2003.....	25,476,000	25,476,000	31,371,277	5,895,277
<b>FUND BALANCES AT JUNE 30, 2004.....</b>	<b>\$ 25,476,000</b>	<b>\$ 23,476,000</b>	<b>\$ 28,926,523</b>	<b>\$ 5,450,523</b>

Please see the accompanying notes to the required supplementary information.

**Budgetary Comparison Schedule  
Notes to Required Supplementary Information**

**Note A - 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.**

<u>Financial Statements Major Funds</u>	<u>Centre City Low Mod</u>
<b>Expenditures</b>	
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules	\$ 9,896,909
Adjustments:	
Encumbrances are included in the budgetary basis of accounting	<u>(8,727,388)</u>
Total expenditures on a GAAP Basis of accounting	<u><u>\$ 1,169,521</u></u>

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## Nonmajor Governmental Funds

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2004**

	Other Governmental Funds			Total Nonmajor Governmental Funds
	Special Revenue	Debt Service	Capital Projects	
<b>ASSETS</b>				
Cash or Equity in Pooled Cash and Investments.....	\$ 25,960,588	\$ 15,530	\$ 5,966,265	\$ 31,942,383
Cash and Investments with Fiscal Agent.....	-	14,083,919	-	14,083,919
Investments at Fair Value.....	12,736,149	-	-	12,736,149
Receivables:				
Taxes.....	875,881	-	-	875,881
Notes.....	11,097,754	-	4,382,437	15,480,191
Interest.....	73,304	12,513	14,075	99,892
From Other Funds.....	5,038,332	6,368,393	12,566,484	23,973,209
Working Capital Advances:				
Centre City Development Corporation.....	-	-	275,000	275,000
Southeastern Economic Development Corporation.....	-	-	158,977	158,977
General Working Capital.....	-	-	20,000	20,000
Land Held for Resale.....	21,639	-	1,558,367	1,580,006
<b>TOTAL ASSETS.....</b>	<b>\$ 55,803,647</b>	<b>\$ 20,480,355</b>	<b>\$ 24,941,605</b>	<b>\$ 101,225,607</b>
<b>LIABILITIES</b>				
Accounts Payable.....	\$ 194,988	\$ -	\$ 2,135,679	\$ 2,330,667
Deferred Revenue.....	885,945	-	2,206,184	3,092,129
Due to Other Funds.....	3,949,538	-	-	3,949,538
Sundry Trust Liabilities .....	-	-	133,360	133,360
<b>TOTAL LIABILITIES.....</b>	<b>5,030,471</b>	<b>-</b>	<b>4,475,223</b>	<b>9,505,694</b>
<b>FUND BALANCES</b>				
Fund Balances:				
Reserved for Land Held for Resale.....	21,639	-	1,558,367	1,580,006
Reserved for Encumbrances.....	9,005,562	-	4,683,467	13,689,029
Reserved for Advances and Deposits.....	-	-	453,977	453,977
Reserved for Low and Moderate Income Housing .....	17,055,996	-	-	17,055,996
Reserved for Debt Service.....	-	20,380,372	-	20,380,372
Unreserved:				
Designated for Unrealized Gain.....	35,352	99,983	-	135,335
Designated for Debt Service.....	8,111,999	-	-	8,111,999
Designated for Subsequent Years' Expenditures.....	7,712,386	-	13,319,010	21,031,396
Undesignated.....	8,830,242	-	451,561	9,281,803
<b>TOTAL FUND BALANCES.....</b>	<b>50,773,176</b>	<b>20,480,355</b>	<b>20,466,382</b>	<b>91,719,913</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 55,803,647</b>	<b>\$ 20,480,355</b>	<b>\$ 24,941,605</b>	<b>\$ 101,225,607</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2004**

	Other Governmental Funds			Total Nonmajor Governmental Funds
	Special Revenue	Debt Service	Capital Projects	
<b>REVENUES</b>				
Tax Increments.....	\$ 7,517,584	\$ 7,563,238	\$ 8,624,676	\$ 23,705,498
Interest.....	404,301	83,734	31,578	519,613
Rents.....	-	-	1,323,327	1,323,327
Private Sources.....	-	-	498,016	498,016
City Participation.....	-	-	1,003	1,003
Other Revenue.....	185,128	13,275	1,195,345	1,393,748
<b>TOTAL REVENUES.....</b>	<b>8,107,013</b>	<b>7,660,247</b>	<b>11,673,945</b>	<b>27,441,205</b>
<b>EXPENDITURES</b>				
Current:				
Administration.....	415,225	-	7,445,264	7,860,489
Legal.....	38,452	-	749,156	787,608
Plans and Surveys.....	164,539	-	1,256,238	1,420,777
Acquisition Expenditure.....	373	-	535,558	535,931
Real Estate/Fixture Purchases.....	-	-	4,205	4,205
Property Management.....	6,917	-	211,658	218,575
Relocation.....	-	-	369,526	369,526
Rehabilitation.....	80,000	-	45,775	125,775
Project Improvements.....	354,600	-	5,746,904	6,101,504
Bond Sale Expenditure.....	483,230	328,535	-	811,765
Program Management.....	10,202	-	396,336	406,538
Rehabilitation Loans.....	3,385,000	-	160,000	3,545,000
Housing Subsidies.....	1,135,000	-	-	1,135,000
Tax Sharing Payments.....	3,052,797	-	-	3,052,797
ERAF Payments.....	636,455	-	350,000	986,455
City Capital Outlay.....	-	-	1,510,128	1,510,128
Debt Service:				
Principal.....	-	3,444,075	-	3,444,075
Interest.....	-	6,833,843	-	6,833,843
<b>TOTAL EXPENDITURES.....</b>	<b>9,762,790</b>	<b>10,606,453</b>	<b>18,780,748</b>	<b>39,149,991</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(1,655,777)</b>	<b>(2,946,206)</b>	<b>(7,106,803)</b>	<b>(11,708,786)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Bonds, Developer Loans and Notes.....	18,325,000	-	-	18,325,000
Loans from the City of San Diego.....	-	-	1,335,616	1,335,616
Transfers from Other Funds.....	4,089,080	2,758,315	3,777,664	10,625,059
Transfers from Bond Proceeds.....	10,222,791	5,903,744	13,016,282	29,142,817
Transfers to Other Funds.....	(15,589,570)	(4,134,315)	(1,570,322)	(21,294,207)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>17,047,301</b>	<b>4,527,744</b>	<b>16,559,240</b>	<b>38,134,285</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>15,391,524</b>	<b>1,581,538</b>	<b>9,452,437</b>	<b>26,425,499</b>
Fund Balances at July 1, 2003.....	35,381,652	18,898,817	11,013,945	65,294,414
<b>FUND BALANCES AT JUNE 30, 2004.....</b>	<b>\$ 50,773,176</b>	<b>\$ 20,480,355</b>	<b>\$ 20,466,382</b>	<b>\$ 91,719,913</b>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
June 30, 2004**

	Barrio Logan		Central Imperial
	Low/Mod	Other	Low/Mod
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 70,841	\$ 48,484	\$ 332,685
Investments at Fair Value.....	-	-	-
Receivables:			
Taxes.....	1,905	7,620	6,992
Notes.....	-	-	-
Interest.....	207	113	428
From Other Funds.....	-	-	28,411
Land Held for Resale.....	-	-	-
	<u>\$ 72,953</u>	<u>\$ 56,217</u>	<u>\$ 368,516</u>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 446	\$ -	\$ 4,504
Deferred Revenue.....	-	-	-
Due to Other Funds.....	-	-	-
	<u>446</u>	<u>-</u>	<u>4,504</u>
<b>FUND BALANCES</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	-	-	-
Reserved for Encumbrances.....	12,233	-	5,623
Reserved for Low and Moderate Income Housing .....	60,274	-	358,389
Unreserved:			
Designated for Unrealized Gain.....	-	-	-
Designated for Debt Service.....	-	56,217	-
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	-	-
	<u>72,507</u>	<u>56,217</u>	<u>364,012</u>
TOTAL FUND BALANCES.....	<u>72,507</u>	<u>56,217</u>	<u>364,012</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 72,953</u>	<u>\$ 56,217</u>	<u>\$ 368,516</u>

Central Imperial Other	City Heights		College Community		College Grove	
	Low/Mod	Other	Low/Mod	Other	Low/Mod	Other
\$ 639,459	\$ 1,715,827	\$ 4,377,115	\$ 267,582	\$ 32,385	\$ 489,316	\$ 273,826
-	-	-	-	-	-	-
27,969	65,295	261,181	1,280	5,119	1,321	5,283
-	2,595,495	-	-	-	-	-
2,678	1,950	11,391	633	213	1,126	497
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 670,106</u>	<u>\$ 4,378,567</u>	<u>\$ 4,649,687</u>	<u>\$ 269,495</u>	<u>\$ 37,717</u>	<u>\$ 491,763</u>	<u>\$ 279,606</u>
\$ 67,798	\$ 446	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
40,421	-	18,887	-	-	-	-
-	-	-	-	-	-	-
<u>108,219</u>	<u>446</u>	<u>18,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	420,912	-	-	-	452,000	-
-	3,957,209	-	269,495	-	39,763	-
-	-	-	-	-	-	-
373,332	-	2,917,004	-	37,717	-	279,606
-	-	-	-	-	-	-
<u>188,555</u>	<u>-</u>	<u>1,713,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>561,887</u>	<u>4,378,121</u>	<u>4,630,800</u>	<u>269,495</u>	<u>37,717</u>	<u>491,763</u>	<u>279,606</u>
<u>\$ 670,106</u>	<u>\$ 4,378,567</u>	<u>\$ 4,649,687</u>	<u>\$ 269,495</u>	<u>\$ 37,717</u>	<u>\$ 491,763</u>	<u>\$ 279,606</u>

Continued on next page.

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
 June 30, 2004

	Gateway Center West		Horton Plaza
	Low/Mod	Other	Low/Mod
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 15,507	\$ 65,301	\$ 4,761,068
Investments at Fair Value.....	-	-	-
Receivables:			
Taxes.....	1,339	5,355	17,916
Notes.....	-	-	8,352,259
Interest.....	58	76	12,675
From Other Funds.....	255	-	4,916,837
Land Held for Resale.....	-	-	-
	<u>\$ 17,159</u>	<u>\$ 70,732</u>	<u>\$ 18,060,755</u>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ -	\$ -	\$ 13,789
Deferred Revenue.....	-	-	885,945
Due to Other Funds.....	-	975	-
	<u>-</u>	<u>975</u>	<u>899,734</u>
<b>FUND BALANCES</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	-	-	-
Reserved for Encumbrances.....	285	-	7,974,820
Reserved for Low and Moderate Income Housing .....	16,874	-	9,186,201
Unreserved:			
Designated for Unrealized Gain.....	-	-	-
Designated for Debt Service.....	-	69,757	-
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	-	-
	<u>17,159</u>	<u>69,757</u>	<u>17,161,021</u>
<b>TOTAL FUND BALANCES.....</b>	<u>17,159</u>	<u>69,757</u>	<u>17,161,021</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<u>\$ 17,159</u>	<u>\$ 70,732</u>	<u>\$ 18,060,755</u>

Linda Vista		Mount Hope		Naval Training Center		North Bay
Low/Mod	Other	Low/Mod	Other	Low/Mod	Other	Low/Mod
\$ 166,542	\$ 186,280	\$ 386,079	\$ 941,381	\$ 369,967	\$ 1,090,757	\$ 1,234,023
-	-	-	-	-	-	-
245	979	3,452	13,810	20,936	83,743	22,988
-	-	150,000	-	-	-	-
407	520	1,001	3,024	502	2,026	3,281
-	-	1,749	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 167,194</u>	<u>\$ 187,779</u>	<u>\$ 542,281</u>	<u>\$ 958,215</u>	<u>\$ 391,405</u>	<u>\$ 1,176,526</u>	<u>\$ 1,260,292</u>
\$ -	\$ -	\$ 9,091	\$ 14,752	\$ -	\$ -	\$ 445
-	-	-	372,926	-	-	-
-	-	9,091	387,678	-	-	445
-	-	-	-	-	-	-
-	-	1,396	-	-	-	25,956
167,194	-	531,794	-	391,405	-	1,233,891
-	-	-	-	-	-	-
-	187,779	-	570,537	-	1,176,526	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>167,194</u>	<u>187,779</u>	<u>533,190</u>	<u>570,537</u>	<u>391,405</u>	<u>1,176,526</u>	<u>1,259,847</u>
<u>\$ 167,194</u>	<u>\$ 187,779</u>	<u>\$ 542,281</u>	<u>\$ 958,215</u>	<u>\$ 391,405</u>	<u>\$ 1,176,526</u>	<u>\$ 1,260,292</u>

Continued on next page.

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**June 30, 2004**

	North Bay	North Park	
	Other	Low/Mod	Other
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 1,242,115	\$ 531,005	\$ 5,385,572
Investments at Fair Value.....	3,990,883	-	8,445,360
Receivables:			
Taxes.....	91,951	25,406	101,623
Notes.....	-	-	-
Interest.....	8,619	863	15,815
From Other Funds.....	-	-	-
Land Held for Resale.....	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 5,333,568</b>	<b>\$ 557,274</b>	<b>\$ 13,948,370</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ -	\$ 445	\$ -
Deferred Revenue.....	-	-	-
Due to Other Funds.....	1,611,460	-	1,478,801
<b>TOTAL LIABILITIES.....</b>	<b>1,611,460</b>	<b>445</b>	<b>1,478,801</b>
<b>FUND BALANCES</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	-	-	-
Reserved for Encumbrances.....	-	1,000	-
Reserved for Low and Moderate Income Housing .....	-	555,829	-
Unreserved:			
Designated for Unrealized Gain.....	34,005	-	1,347
Designated for Debt Service.....	771,643	-	775,733
Designated for Subsequent Years' Expenditures.....	-	-	7,681,058
Undesignated.....	2,916,460	-	4,011,431
<b>TOTAL FUND BALANCES.....</b>	<b>3,722,108</b>	<b>556,829</b>	<b>12,469,569</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 5,333,568</b>	<b>\$ 557,274</b>	<b>\$ 13,948,370</b>

San Ysidro		Southcrest		Total
Low/Mod	Other	Low/Mod	Other	
\$ 270,255	\$ 518,072	\$ 22,886	\$ 526,258	\$ 25,960,588
-	-	-	299,906	12,736,149
12,786	51,144	7,649	30,594	875,881
-	-	-	-	11,097,754
378	1,708	-	3,115	73,304
-	-	91,080	-	5,038,332
-	-	21,639	-	21,639
<u>\$ 283,419</u>	<u>\$ 570,924</u>	<u>\$ 143,254</u>	<u>\$ 859,873</u>	<u>\$ 55,803,647</u>
\$ 445	\$ -	\$ 5,574	\$ 77,253	\$ 194,988
-	-	-	-	885,945
-	-	-	426,068	3,949,538
<u>445</u>	<u>-</u>	<u>5,574</u>	<u>503,321</u>	<u>5,030,471</u>
-	-	21,639	-	21,639
-	-	111,337	-	9,005,562
282,974	-	4,704	-	17,055,996
-	-	-	-	35,352
-	570,924	-	325,224	8,111,999
-	-	-	31,328	7,712,386
-	-	-	-	8,830,242
<u>282,974</u>	<u>570,924</u>	<u>137,680</u>	<u>356,552</u>	<u>50,773,176</u>
<u>\$ 283,419</u>	<u>\$ 570,924</u>	<u>\$ 143,254</u>	<u>\$ 859,873</u>	<u>\$ 55,803,647</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2004

	Barrio Logan		Central Imperial
	Low-Mod	Other	Low-Mod
<b>REVENUES</b>			
Tax Increments.....	\$ 25,311	\$ 51,726	\$ 232,845
Interest.....	1,442	514	2,534
Other Revenue.....	-	-	69,401
<b>TOTAL REVENUES.....</b>	<b>26,753</b>	<b>52,240</b>	<b>304,780</b>
<b>EXPENDITURES</b>			
Current:			
Administration.....	6,423	16	43,495
Legal.....	3,182	-	15,215
Plans and Surveys.....	22,767	-	34,825
Acquisition Expenditure.....	-	-	-
Property Management.....	-	-	-
Rehabilitation.....	-	-	-
Project Improvements.....	-	-	13,752
Bond Sale Expenditure.....	-	-	-
Program Management.....	-	-	3,062
Rehabilitation Loans.....	-	-	-
Housing Subsidies.....	-	-	-
Tax Sharing Payments.....	-	56,731	-
ERAF Payments.....	-	3,424	-
<b>TOTAL EXPENDITURES.....</b>	<b>32,372</b>	<b>60,171</b>	<b>110,349</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(5,619)</b>	<b>(7,931)</b>	<b>194,431</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Bonds, Developer Loans and Notes.....	-	-	-
Transfers from Other Funds.....	-	-	-
Transfers from Bond Proceeds.....	-	-	-
Transfers to Other Funds.....	-	-	(50,685)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>(50,685)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(5,619)</b>	<b>(7,931)</b>	<b>143,746</b>
Fund Balances at July 1, 2003.....	78,126	64,148	220,266
<b>FUND BALANCES AT JUNE 30, 2004.....</b>	<b>\$ 72,507</b>	<b>\$ 56,217</b>	<b>\$ 364,012</b>

Central Imperial Other	City Heights		College Community		College Grove	
	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
\$ -	\$ 1,198,709	\$ -	\$ 42,505	\$ 60,544	\$ 87,792	\$ 28,143
11,504	9,513	17,806	1,623	638	2,807	2,950
-	-	-	-	-	-	-
11,504	1,208,222	17,806	44,128	61,182	90,599	31,093
-	15,868	-	896	-	223	-
-	3,411	-	-	-	-	-
-	17,333	-	-	-	-	-
-	-	-	-	-	-	-
-	2,605	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	106,935	-	-	-	-
-	-	-	-	-	-	-
-	1,035,000	-	-	-	-	-
-	135,000	-	-	-	-	-
17,378	-	1,525,072	-	23,155	-	67,299
10,000	-	149,445	-	19,867	-	27,152
27,378	1,209,217	1,781,452	896	43,022	223	94,451
(15,874)	(995)	(1,763,646)	43,232	18,160	90,376	(63,358)
-	-	5,820,000	-	-	-	-
-	-	3,977,150	-	-	-	-
-	3,280,495	-	-	-	-	-
(536,803)	(403,643)	(6,061,230)	-	-	-	-
(536,803)	2,876,852	3,735,920	-	-	-	-
(552,677)	2,875,857	1,972,274	43,232	18,160	90,376	(63,358)
1,114,564	1,502,264	2,658,526	226,263	19,557	401,387	342,964
\$ 561,887	\$ 4,378,121	\$ 4,630,800	\$ 269,495	\$ 37,717	\$ 491,763	\$ 279,606

Continued on next page.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2004

	Gateway Center West		Horton Plaza
	Low-Mod	Other	Low-Mod
<b>REVENUES</b>			
Tax Increments.....	\$ 49,715	\$ -	\$ 1,135,409
Interest.....	309	1,039	41,217
Other Revenue.....	-	-	4,714
<b>TOTAL REVENUES.....</b>	<b>50,024</b>	<b>1,039</b>	<b>1,181,340</b>
<b>EXPENDITURES</b>			
Current:			
Administration.....	10,219	-	234,621
Legal.....	-	-	238
Plans and Surveys.....	7,411	-	17,589
Acquisition Expenditure.....	-	-	-
Property Management.....	-	-	4,312
Rehabilitation.....	-	-	-
Project Improvements.....	-	-	-
Bond Sale Expenditure.....	-	-	-
Program Management.....	662	-	-
Rehabilitation Loans.....	-	-	2,000,000
Housing Subsidies.....	-	-	-
Tax Sharing Payments.....	-	-	-
ERAF Payments.....	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>18,292</b>	<b>-</b>	<b>2,256,760</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>31,732</b>	<b>1,039</b>	<b>(1,075,420)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Bonds, Developer Loans and Notes.....	-	-	-
Transfers from Other Funds.....	-	-	-
Transfers from Bond Proceeds.....	255	-	6,918,000
Transfers to Other Funds.....	(29,612)	(48,768)	(973,754)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(29,357)</b>	<b>(48,768)</b>	<b>5,944,246</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>2,375</b>	<b>(47,729)</b>	<b>4,868,826</b>
Fund Balances at July 1, 2003.....	14,784	117,486	12,292,195
<b>FUND BALANCES AT JUNE 30, 2004.....</b>	<b>\$ 17,159</b>	<b>\$ 69,757</b>	<b>\$ 17,161,021</b>

Linda Vista		Mount Hope		Naval Training Center		North Bay
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod
\$ 17,413	\$ 8,349	\$ 212,163	\$ -	\$ 292,808	\$ 899,910	\$ 643,088
1,103	1,540	15,141	12,323	(74)	1,176	8,507
-	-	34,942	-	-	-	-
<u>18,516</u>	<u>9,889</u>	<u>262,246</u>	<u>12,323</u>	<u>292,734</u>	<u>901,086</u>	<u>651,595</u>
-	-	73,739	-	-	-	14
-	-	-	-	-	-	3,411
-	-	20,342	-	-	-	4,044
-	-	-	-	-	-	373
-	-	-	-	-	-	-
-	-	60,000	-	-	-	-
-	-	140,000	-	-	-	-
-	-	-	-	-	-	-
-	-	4,419	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	200,000
-	-	-	-	-	117,927	-
-	5,863	-	104,154	-	-	-
-	5,863	298,500	104,154	-	117,927	207,842
<u>18,516</u>	<u>4,026</u>	<u>(36,254)</u>	<u>(91,831)</u>	<u>292,734</u>	<u>783,159</u>	<u>443,753</u>
-	-	-	-	-	-	-
-	-	-	4,983	-	-	-
-	-	(128,239)	(463,482)	-	-	(220,364)
-	-	(128,239)	(458,499)	-	-	(220,364)
18,516	4,026	(164,493)	(550,330)	292,734	783,159	223,389
<u>148,678</u>	<u>183,753</u>	<u>697,683</u>	<u>1,120,867</u>	<u>98,671</u>	<u>393,367</u>	<u>1,036,458</u>
<u>\$ 167,194</u>	<u>\$ 187,779</u>	<u>\$ 533,190</u>	<u>\$ 570,537</u>	<u>\$ 391,405</u>	<u>\$ 1,176,526</u>	<u>\$ 1,259,847</u>

Continued on next page.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2004

	North Bay	North Park	
	Other	Low-Mod	Other
<b>REVENUES</b>			
Tax Increments.....	\$ 464,781	\$ 521,593	\$ 810,196
Interest.....	39,338	467	205,611
Other Revenue.....	-	-	-
<b>TOTAL REVENUES.....</b>	<b>504,119</b>	<b>522,060</b>	<b>1,015,807</b>
<b>EXPENDITURES</b>			
Current:			
Administration.....	-	14	-
Legal.....	-	3,411	-
Plans and Surveys.....	-	-	-
Acquisition Expenditure.....	-	-	-
Property Management.....	-	-	-
Rehabilitation.....	-	-	-
Project Improvements.....	-	-	-
Bond Sale Expenditure.....	-	-	376,295
Program Management.....	-	-	-
Rehabilitation Loans.....	-	350,000	-
Housing Subsidies.....	-	-	-
Tax Sharing Payments.....	518,952	-	422,431
ERAF Payments.....	124,901	-	87,277
<b>TOTAL EXPENDITURES.....</b>	<b>643,853</b>	<b>353,425</b>	<b>886,003</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(139,734)</b>	<b>168,635</b>	<b>129,804</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Bonds, Developer Loans and Notes.....	-	-	12,505,000
Transfers from Other Funds.....	-	-	45,298
Transfers from Bond Proceeds.....	-	-	-
Transfers to Other Funds.....	(1,687,413)	(137,428)	(4,362,407)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(1,687,413)</b>	<b>(137,428)</b>	<b>8,187,891</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(1,827,147)</b>	<b>31,207</b>	<b>8,317,695</b>
Fund Balances at July 1, 2003.....	5,549,255	525,622	4,151,874
<b>FUND BALANCES AT JUNE 30, 2004.....</b>	<b>\$ 3,722,108</b>	<b>\$ 556,829</b>	<b>\$ 12,469,569</b>

San Ysidro		Southcrest		Total
Low-Mod	Other	Low-Mod	Other	
\$ 349,164	\$ 220,456	\$ 164,964	\$ -	\$ 7,517,584
491	5,868	2,076	16,838	404,301
-	-	76,071	-	185,128
<u>349,655</u>	<u>226,324</u>	<u>243,111</u>	<u>16,838</u>	<u>8,107,013</u>
14	-	29,683	-	415,225
675	-	8,909	-	38,452
-	-	40,228	-	164,539
-	-	-	-	373
-	-	-	-	6,917
-	-	20,000	-	80,000
-	-	200,848	-	354,600
-	-	-	-	483,230
-	-	2,059	-	10,202
-	-	-	-	3,385,000
800,000	-	-	-	1,135,000
-	303,852	-	-	3,052,797
-	69,735	-	34,637	636,455
<u>800,689</u>	<u>373,587</u>	<u>301,727</u>	<u>34,637</u>	<u>9,762,790</u>
<u>(451,034)</u>	<u>(147,263)</u>	<u>(58,616)</u>	<u>(17,799)</u>	<u>(1,655,777)</u>
-	-	-	-	18,325,000
-	-	-	61,649	4,089,080
-	-	24,041	-	10,222,791
-	-	(70,503)	(415,239)	(15,589,570)
-	-	(46,462)	(353,590)	17,047,301
(451,034)	(147,263)	(105,078)	(371,389)	15,391,524
<u>734,008</u>	<u>718,187</u>	<u>242,758</u>	<u>727,941</u>	<u>35,381,652</u>
<u>\$ 282,974</u>	<u>\$ 570,924</u>	<u>\$ 137,680</u>	<u>\$ 356,552</u>	<u>\$ 50,773,176</u>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS  
June 30, 2004**

	Central Imperial	City Heights	College Grove	Gateway Center West
<b>ASSETS</b>				
Cash or Equity in Pooled Cash and Investments.....	\$ -	\$ 15,377	\$ -	\$ -
Cash and Investments with Fiscal Agent.....	281,692	2,105,242	-	117,513
Receivables:				
Interest.....	6	1,072	-	4
From Other Funds.....	-	-	-	3
TOTAL ASSETS.....	\$ 281,698	\$ 2,121,691	\$ -	\$ 117,520
 <b>FUND BALANCES</b>				
Fund Balances:				
Reserved for Debt Service.....	\$ 276,818	\$ 2,121,691	\$ -	\$ 117,520
Unreserved:				
Designated for Unrealized Gain.....	4,880	-	-	-
TOTAL FUND BALANCES.....	\$ 281,698	\$ 2,121,691	\$ -	\$ 117,520

<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>
\$ -	\$ 13	\$ -	\$ 140	\$ -	\$ -	\$ 15,530
7,773,545	550,244	1,187,946	1,751,846	-	315,891	14,083,919
5,966	116	104	5,236	-	9	12,513
<u>5,619,217</u>	<u>18,503</u>	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>130,670</u>	<u>6,368,393</u>
<u>\$ 13,398,728</u>	<u>\$ 568,876</u>	<u>\$ 1,788,050</u>	<u>\$ 1,757,222</u>	<u>\$ -</u>	<u>\$ 446,570</u>	<u>\$ 20,480,355</u>
\$ 13,349,148	\$ 568,876	\$ 1,760,155	\$ 1,742,462	\$ -	\$ 443,702	\$ 20,380,372
<u>49,580</u>	<u>-</u>	<u>27,895</u>	<u>14,760</u>	<u>-</u>	<u>2,868</u>	<u>99,983</u>
<u>\$ 13,398,728</u>	<u>\$ 568,876</u>	<u>\$ 1,788,050</u>	<u>\$ 1,757,222</u>	<u>\$ -</u>	<u>\$ 446,570</u>	<u>\$ 20,480,355</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
 Year Ended June 30, 2004

	Central Imperial	City Heights	College Grove
<b>REVENUES</b>			
Tax Increments.....	\$ 202,740	\$ 1,768,197	\$ 279,382
Interest.....	701	40,613	-
Other Revenue.....	-	13,275	-
	203,441	1,822,085	279,382
<b>EXPENDITURES</b>			
Current:			
Bond Sale Expenditure.....	-	71,990	-
Debt Service:			
Principal.....	45,000	289,291	184,326
Interest.....	210,820	1,572,027	95,056
	255,820	1,933,308	279,382
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(52,379)	(111,223)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	50,685	712,157	-
Transfers from Bond Proceeds.....	-	565,901	-
Transfers to Other Funds.....	-	(3,977,150)	-
	50,685	(2,699,092)	-
NET CHANGE IN FUND BALANCES.....	(1,694)	(2,810,315)	-
Fund Balances at July 1, 2003.....	283,392	4,932,006	-
FUND BALANCES AT JUNE 30, 2004.....	\$ 281,698	\$ 2,121,691	\$ -

Gateway Center West	Horton Plaza	Mount Hope	North Bay	North Park	San Ysidro	Southcrest	Total
\$ 70,675	\$ 3,141,917	\$ 598,275	\$ 668,827	\$ 469,572	\$ 199,005	\$ 164,648	\$ 7,563,238
42	(46,179)	300	59,075	28,713	-	469	83,734
-	-	-	-	-	-	-	13,275
<u>70,717</u>	<u>3,095,738</u>	<u>598,575</u>	<u>727,902</u>	<u>498,285</u>	<u>199,005</u>	<u>165,117</u>	<u>7,660,247</u>
-	181,055	-	-	75,490	-	-	328,535
55,000	866,951	343,066	571,594	780,000	11,405	297,442	3,444,075
<u>93,210</u>	<u>2,341,172</u>	<u>613,837</u>	<u>890,835</u>	<u>524,516</u>	<u>187,600</u>	<u>304,770</u>	<u>6,833,843</u>
<u>148,210</u>	<u>3,389,178</u>	<u>956,903</u>	<u>1,462,429</u>	<u>1,380,006</u>	<u>199,005</u>	<u>602,212</u>	<u>10,606,453</u>
<u>(77,493)</u>	<u>(293,440)</u>	<u>(358,328)</u>	<u>(734,527)</u>	<u>(881,721)</u>	<u>-</u>	<u>(437,095)</u>	<u>(2,946,206)</u>
77,405	976,249	148,023	220,364	137,428	-	436,004	2,758,315
3	2,114,121	228,543	992,413	2,002,763	-	-	5,903,744
-	(58,452)	-	-	(45,298)	-	(53,415)	(4,134,315)
<u>77,408</u>	<u>3,031,918</u>	<u>376,566</u>	<u>1,212,777</u>	<u>2,094,893</u>	<u>-</u>	<u>382,589</u>	<u>4,527,744</u>
(85)	2,738,478	18,238	478,250	1,213,172	-	(54,506)	1,581,538
<u>117,605</u>	<u>10,660,250</u>	<u>550,638</u>	<u>1,309,800</u>	<u>544,050</u>	<u>-</u>	<u>501,076</u>	<u>18,898,817</u>
<u>\$ 117,520</u>	<u>\$ 13,398,728</u>	<u>\$ 568,876</u>	<u>\$ 1,788,050</u>	<u>\$ 1,757,222</u>	<u>\$ -</u>	<u>\$ 446,570</u>	<u>\$ 20,480,355</u>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
June 30, 2004**

	Barrio Logan	Central Imperial	City Heights
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 2,184	\$ 1,041,196	\$ 43,689
Receivables:			
Notes.....	400,000	265,000	2,781,953
Interest.....	23	2,688	247
From Other Funds.....	-	12,010	18,887
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	-	-	-
General Working Capital .....	-	-	-
Land Held for Resale.....	40,000	337,545	-
 TOTAL ASSETS.....	 \$ 442,207	 \$ 1,658,439	 \$ 2,844,776
 <b>LIABILITIES</b>			
Accounts Payable.....	\$ 516,625	\$ 27,608	\$ 360,372
Deferred Revenue.....	400,000	-	870,700
Sundry Trust Liabilities .....	-	11,354	-
 TOTAL LIABILITIES.....	 916,625	 38,962	 1,231,072
 <b>FUND BALANCES</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	40,000	337,545	-
Reserved for Encumbrances.....	3,695	177,054	64,493
Reserved for Advances and Deposits.....	-	-	-
Unreserved:			
Designated for Subsequent Years' Expenditures.....	-	679,344	46,286
Undesignated.....	(518,113)	425,534	1,502,925
 TOTAL FUND BALANCES.....	 (474,418)	 1,619,477	 1,613,704
 TOTAL LIABILITIES AND FUND BALANCES.....	 \$ 442,207	 \$ 1,658,439	 \$ 2,844,776

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza	Linda Vista
\$ 44,782	\$ 242	\$ 19,333	\$ 41,988	\$ -	\$ 3,466,254	\$ 179,545
-	-	-	-	-	-	-
-	-	61	108	-	7,769	403
-	-	-	717	-	9,487,617	-
-	-	-	-	-	275,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	165,033	-	-	366,285
<u>\$ 44,782</u>	<u>\$ 242</u>	<u>\$ 19,394</u>	<u>\$ 207,846</u>	<u>\$ -</u>	<u>\$ 13,236,640</u>	<u>\$ 546,233</u>
\$ 555,578	\$ 130,911	\$ 188,642	\$ 716	\$ -	\$ 37,223	\$ 49
-	-	-	-	-	-	-
-	-	-	15,452	-	-	-
<u>555,578</u>	<u>130,911</u>	<u>188,642</u>	<u>16,168</u>	<u>-</u>	<u>37,223</u>	<u>49</u>
-	-	-	165,033	-	-	366,285
-	-	30,016	4,057	-	2,248,094	24,561
-	-	-	-	-	275,000	-
-	-	-	22,588	-	10,676,323	155,338
<u>(510,796)</u>	<u>(130,669)</u>	<u>(199,264)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(510,796)</u>	<u>(130,669)</u>	<u>(169,248)</u>	<u>191,678</u>	<u>-</u>	<u>13,199,417</u>	<u>546,184</u>
<u>\$ 44,782</u>	<u>\$ 242</u>	<u>\$ 19,394</u>	<u>\$ 207,846</u>	<u>\$ -</u>	<u>\$ 13,236,640</u>	<u>\$ 546,233</u>

Continued on next page.

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
June 30, 2004**

	Mount Hope	Naval Training Center	North Bay
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 354,722	\$ 607	\$ 3,997
Receivables:			
Notes.....	-	-	-
Interest.....	658	167	-
From Other Funds.....	352,674	-	1,011,460
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	158,977	-	-
General Working Capital.....	-	-	-
Land Held for Resale.....	446,199	-	-
	<u>\$ 1,313,230</u>	<u>\$ 774</u>	<u>\$ 1,015,457</u>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 1,023	\$ 1,075	\$ 1,128
Deferred Revenue.....	-	-	-
Sundry Trust Liabilities .....	4,992	-	-
	<u>6,015</u>	<u>1,075</u>	<u>1,128</u>
<b>FUND BALANCES</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	446,199	-	-
Reserved for Encumbrances.....	10,494	346,052	837,954
Reserved for Advances and Deposits.....	158,977	-	-
Unreserved:			
Designated for Subsequent Years' Expenditures.....	489,952	-	176,375
Undesignated.....	201,593	(346,353)	-
	<u>1,307,215</u>	<u>(301)</u>	<u>1,014,329</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 1,313,230</u>	<u>\$ 774</u>	<u>\$ 1,015,457</u>

<u>North Park</u>	<u>San Ysidro</u>	<u>Southcrest</u>	<u>Total</u>
\$ 163,223	\$ 28,099	\$ 576,404	\$ 5,966,265
-	-	935,484	4,382,437
114	8	1,829	14,075
1,478,801	-	204,318	12,566,484
-	-	-	275,000
-	-	-	158,977
-	20,000	-	20,000
-	-	203,305	1,558,367
<u>\$ 1,642,138</u>	<u>\$ 48,107</u>	<u>\$ 1,921,340</u>	<u>\$ 24,941,605</u>
\$ 310,651	\$ 1,129	\$ 2,949	\$ 2,135,679
-	-	935,484	2,206,184
40,624	10,000	50,938	133,360
<u>351,275</u>	<u>11,129</u>	<u>989,371</u>	<u>4,475,223</u>
-	-	203,305	1,558,367
266,186	190,102	480,709	4,683,467
-	20,000	-	453,977
824,849	-	247,955	13,319,010
199,828	(173,124)	-	451,561
<u>1,290,863</u>	<u>36,978</u>	<u>931,969</u>	<u>20,466,382</u>
<u>\$ 1,642,138</u>	<u>\$ 48,107</u>	<u>\$ 1,921,340</u>	<u>\$ 24,941,605</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
Year Ended June 30, 2004

	Barrio Logan	Central Imperial	City Heights
<b>REVENUES</b>			
Tax Increments.....	\$ 49,517	\$ 728,640	\$ 3,026,638
Interest.....	1,087	10,155	151
Rents.....	-	-	1,500
Private Sources.....	-	25,000	14,237
City Participation.....	-	-	-
Other Revenue.....	51	935,303	16,992
<b>TOTAL REVENUES.....</b>	<b>50,655</b>	<b>1,699,098</b>	<b>3,059,518</b>
<b>EXPENDITURES</b>			
Current:			
Administration.....	258,163	1,011,955	1,006,707
Legal.....	3,677	475,559	21,189
Plans and Surveys.....	11,058	183,995	57,425
Acquisition Expenditure.....	-	2,200	79,261
Real Estate/Fixture Purchases.....	-	-	-
Property Management.....	2,630	103,917	540
Relocation.....	-	-	145,724
Rehabilitation.....	-	-	-
Project Improvements.....	400,000	110,246	2,200,000
Program Management.....	-	46,914	-
Rehabilitation Loans.....	-	-	-
ERAF Payments.....	-	-	-
City Capital Outlay.....	-	100,684	677,215
<b>TOTAL EXPENDITURES.....</b>	<b>675,528</b>	<b>2,035,470</b>	<b>4,188,061</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(624,873)</b>	<b>(336,372)</b>	<b>(1,128,543)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Loans from the City of San Diego.....	167,098	346,666	-
Transfers from Other Funds.....	-	1,212,129	2,020,535
Transfers from Bond Proceeds.....	-	30,753	194,299
Transfers to Other Funds.....	-	(706,079)	(308,514)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>167,098</b>	<b>883,469</b>	<b>1,906,320</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(457,775)</b>	<b>547,097</b>	<b>777,777</b>
Fund Balances at July 1, 2003.....	(16,643)	1,072,380	835,927
<b>FUND BALANCES AT JUNE 30, 2004.....</b>	<b>\$ (474,418)</b>	<b>\$ 1,619,477</b>	<b>\$ 1,613,704</b>

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza	Linda Vista
\$ 109,476	\$ 43,644	\$ -	\$ 128,184	\$ -	\$ 237,816	\$ 61,303
3	-	124	484	-	16,773	1,631
-	-	-	-	-	1,262,313	59,514
63,188	-	40,000	-	-	-	-
-	-	-	-	1,003	-	-
-	5	-	-	-	-	-
<u>172,667</u>	<u>43,649</u>	<u>40,124</u>	<u>128,668</u>	<u>1,003</u>	<u>1,516,902</u>	<u>122,448</u>
405,380	126,355	187,391	116,009	816	363,064	49,648
1,888	-	7,586	142	187	6,576	-
56,885	14,890	47,092	5,653	-	33,853	16,345
-	-	-	-	-	-	-
-	-	-	-	-	4,205	-
2,630	2,630	-	4,225	-	31,722	2,630
-	-	-	-	-	-	-
-	-	-	-	-	45,775	-
-	-	-	-	-	34,636	-
-	-	-	4,151	-	315,396	-
-	-	-	-	-	-	-
-	-	-	-	-	350,000	-
-	-	-	-	-	-	-
<u>466,783</u>	<u>143,875</u>	<u>242,069</u>	<u>130,180</u>	<u>1,003</u>	<u>1,185,227</u>	<u>68,623</u>
(294,116)	(100,226)	(201,945)	(1,512)	-	331,675	53,825
-	-	279,360	-	-	-	-
-	-	-	-	-	545,000	-
-	-	-	717	-	9,500,000	-
-	-	-	-	-	(547,495)	-
<u>-</u>	<u>-</u>	<u>279,360</u>	<u>717</u>	<u>-</u>	<u>9,497,505</u>	<u>-</u>
(294,116)	(100,226)	77,415	(795)	-	9,829,180	53,825
(216,680)	(30,443)	(246,663)	192,473	-	3,370,237	492,359
<u>\$ (510,796)</u>	<u>\$ (130,669)</u>	<u>\$ (169,248)</u>	<u>\$ 191,678</u>	<u>\$ -</u>	<u>\$ 13,199,417</u>	<u>\$ 546,184</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, 2004

	Mount Hope	Naval Training Center	North Bay
<b>REVENUES</b>			
Tax Increments.....	\$ 250,379	\$ 271,323	\$ 1,438,746
Interest.....	1,989	1,975	-
Rents.....	-	-	-
Private Sources.....	-	141,075	-
City Participation.....	-	-	-
Other Revenue.....	83,017	1,946	167
	<u>335,385</u>	<u>416,319</u>	<u>1,438,913</u>
TOTAL REVENUES.....			
<b>EXPENDITURES</b>			
Current:			
Administration.....	207,120	383,864	1,182,745
Legal.....	8,337	16,836	13,886
Plans and Surveys.....	33,661	37,867	249,300
Acquisition Expenditure.....	-	10,000	36,134
Real Estate/Fixture Purchases.....	-	-	-
Property Management.....	14,645	7,457	10,230
Relocation.....	-	-	-
Rehabilitation.....	-	-	-
Project Improvements.....	1,577	-	175,000
Program Management.....	6,229	-	-
Rehabilitation Loans.....	-	-	-
ERAF Payments.....	-	-	-
City Capital Outlay.....	-	-	676,160
	<u>271,569</u>	<u>456,024</u>	<u>2,343,455</u>
TOTAL EXPENDITURES.....			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	<u>63,816</u>	<u>(39,705)</u>	<u>(904,542)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Loans from the City of San Diego.....	-	-	-
Transfers from Other Funds.....	-	-	-
Transfers from Bond Proceeds.....	210,172	-	695,000
Transfers to Other Funds.....	-	-	-
	<u>210,172</u>	<u>-</u>	<u>695,000</u>
TOTAL OTHER FINANCING SOURCES (USES).....			
NET CHANGE IN FUND BALANCES.....	273,988	(39,705)	(209,542)
Fund Balances at July 1, 2003.....	<u>1,033,227</u>	<u>39,404</u>	<u>1,223,871</u>
FUND BALANCES AT JUNE 30, 2004.....	<u>\$ 1,307,215</u>	<u>\$ (301)</u>	<u>\$ 1,014,329</u>

North Park	San Ysidro	Southcrest	Total
\$ 806,606	\$ 977,194	\$ 495,210	\$ 8,624,676
1,009	118	(3,921)	31,578
-	-	-	1,323,327
140,000	10,000	64,516	498,016
-	-	-	1,003
659	-	157,205	1,195,345
<u>948,274</u>	<u>987,312</u>	<u>713,010</u>	<u>11,673,945</u>
965,343	598,282	582,422	7,445,264
136,731	34,017	22,545	749,156
284,904	178,464	44,846	1,256,238
407,963	-	-	535,558
-	-	-	4,205
10,276	10,286	7,840	211,658
223,802	-	-	369,526
-	-	-	45,775
1,851,255	80,054	894,136	5,746,904
-	-	23,646	396,336
160,000	-	-	160,000
-	-	-	350,000
-	56,069	-	1,510,128
<u>4,040,274</u>	<u>957,172</u>	<u>1,575,435</u>	<u>18,780,748</u>
<u>(3,092,000)</u>	<u>30,140</u>	<u>(862,425)</u>	<u>(7,106,803)</u>
150,868	-	391,624	1,335,616
-	-	-	3,777,664
2,359,644	-	25,697	13,016,282
-	-	(8,234)	(1,570,322)
<u>2,510,512</u>	<u>-</u>	<u>409,087</u>	<u>16,559,240</u>
(581,488)	30,140	(453,338)	9,452,437
<u>1,872,351</u>	<u>6,838</u>	<u>1,385,307</u>	<u>11,013,945</u>
<u>\$ 1,290,863</u>	<u>\$ 36,978</u>	<u>\$ 931,969</u>	<u>\$ 20,466,382</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 fiscal year ended June 30, 2004, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated June 29, 2007. 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 opinion 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 initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2004-1. A reportable condition is also described in the status of prior year findings and questioned costs (findings related to financial statements) as item 2003-1. This condition was reported in the prior year and 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 reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described above are material weaknesses.

### ***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 grants 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 regulations 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 schedule of findings and responses as items 2004-a through 2004-f.

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 Jini & O'Connell LLP*

Certified Public Accountants

Los Angeles, California  
June 29, 2007

**REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
CURRENT YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2004**

**Financial Statement Finding:**

***2004-1 Accounting for Land Held for Resale***

The Agency utilizes two management companies to administer six of the Agency's sixteen project areas (Southeastern Economic Development Corporation manages four project areas and Centre City Development Corporation manages two project areas). Although the management companies properly record 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.

We recommend that the Agency develop and implement a process whereby all transactions entered into by the management companies on the Agency's behalf are communicated timely to enable the Agency to properly report its financial activity.

***Management Response:***

We agree. Management has implemented revised policies to ensure land held for resale account balances are properly stated in the Agency's basic financial statements. These policies include confirming account balances and inventories annually, and revising operational procedures to ensure the City Auditor and Comptroller's office is notified timely of changes in the status of various land assets, purchases and sales.

**REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
CURRENT YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2004**

**Compliance Findings:**

***2004-a 20% Tax Increment Allocation***

The California Health and Safety Code section 33334.6 (c) states that “*except as otherwise permitted by subdivisions (d) and (e), not less than 20 percent of the taxes allocated to the agency pursuant to Section 33670 from project areas specified in subdivision (b) for the 1985-86 fiscal year and each succeeding fiscal year shall be deposited into the Low and Moderate Income Housing Fund*”. Furthermore, guidance from the State Attorney General’s office informed redevelopment agencies that the computation should be based on the gross tax increment allocated to the agencies.

During our compliance audit work, we noted that the Redevelopment Agency of the City of San Diego (Agency) deposited 20% of the net tax increment rather than the gross amount allocated to the Agency by the County of San Diego (the County).

This error was caused by the Agency’s lack of written policies and procedures to aid personnel in calculating the 20% tax increment allocations to the Agency’s 16 housing funds. As such, the Agency’s housing funds did not receive sufficient funds to expend on low and moderate housing activities in the Agency’s project areas.

We recommend that the Agency draft written policies and procedures to provide guidance in the calculation of the low and moderate income housing fund amounts.

*Management Response:*

We agree. The Auditor & Comptroller’s Office has already changed the process for calculating the 20% set aside using gross revenues in the fiscal year ended June 30, 2006. While we agree this is an important compliance issue, the fiscal year ended June 30, 2004 financial statements were not restated as the dollar amount associated with the change for that year were deemed immaterial. The Agency also agrees with this finding and will ensure the calculations are performed in this manner in future years.

***2004-b 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.*”

**REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
CURRENT YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2004**

During our audit work on compliance disclosure and reporting, we noted that 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. 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.

We recommend that the Agency prepare and submit the 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 should include a note indicating that an Independent Auditor's Report has not been issued as of the time of submission. The Agency should also state that since the financial numbers used are unaudited, there are potential changes in the reports. In addition, the Agency should develop proper policies and procedures and assign appropriate personnel to the development of the annual report.

*Management Response:*

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

***2004-c Monitoring of Available Affordable Housing***

*In accordance with the California Health and Safety Code Section 33418, "an agency shall monitor on an ongoing basis, any housing affordable to persons and families of low or moderate income developed or otherwise made available pursuant to any provisions of this part. As part of this monitoring, an agency shall require owners or managers of the housing to submit an annual report to the agency. The annual reports shall include for each rental unit the rental rate and the income and family size of the occupants, and for each owner-occupied unit whether there was a change in ownership from the prior year and, if so, the income and family size of the new owners. The income information required by this section shall be supplied by the tenant in a certified statement on a form provided by the agency."*

It is the Agency's procedure to enter into an Administration Agreement with the San Diego Housing Commission (SDHC) to perform the required monitoring activities for Agency-subsidized low and moderate housing projects in accordance with laws and regulations. Such agreements state that the SDHC will provide monitoring and annual reporting services to the Agency with the compliance and payment of fees by the developer. Furthermore the SDHC will submit an annual report of its monitoring activities to the Agency for each project under agreement. However, during our audit, the Agency did not receive the monitoring reports prepared by SDHC for fiscal year 2004. 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.

We recommend that the Agency adhere to its current policies and procedures by obtaining the annual reports from SDHC and to review them in detail to monitor the levels of available affordable housing. Additionally, the Agency should be more involved in the monitoring process above and beyond the review of the annual reports provided by SDHC.

**REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
CURRENT YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2004**

*Management Response:*

We agree. The Agency will develop procedures to perform monitoring as required by the California Health and Safety Code cited above. Included in these procedures will be the process to ensure that all owners and managers of affordable housing submit an annual report to the Agency.

**2004-d Real Property Acquisitions**

In accordance with the California Health and Safety Code Section 33334.16, “*For each interest in real property acquired using moneys from the Low and Moderate Income Housing Fund, the agency shall, within five years from the date it first acquires the property interest for the development of housing affordable to persons and families of low and moderate income, initiate activities consistent with the development of the property for that purpose.*”

The Agency was unable to provide a complete and detailed listing of properties held by the Agency at June 30, 2003 that were acquired using resources from the Low and Moderate Income Housing Funds. We noted that there was a lack of written policies and procedures and assignment of appropriate personnel to the development of the Agency’s annual report to the Board of Directors, which includes the detailed listing of properties held by the Agency. Without the detailed listing of properties acquired using resources from the Low and Moderate Income Housing Funds, the Agency is not in compliance with California Health and Safety Codes.

We recommend that the Agency (i) maintain detailed records of real property acquired using resources from the Low and Moderate Income Housing Fund and (ii) initiate activities consistent with the development of the property, in accordance with the California Health and Safety Code.

*Management Response:*

We agree. The Agency will maintain detailed records of real property acquired using Low and Moderate Income monies and will provide this detailed asset listing to the City’s Auditor & Comptroller’s office every June 30<sup>th</sup>. The Agency will also improve the monitoring process to ensure that the development is initiated on all properties within 5 years from the date it acquires these properties.

**REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
CURRENT YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2004**

**2003-e Pledging of Collateral**

In accordance with the *Guidelines for Compliance Audits of California Redevelopment Agencies Section B, para 8*, “if Housing Fund money or revenue was pledged as all or part of collateral for a debt issuance made during the period being audited, an appropriate amount of debt proceeds, in addition to the 20% of gross tax increment should be deposited into the Housing Fund.”

During our audit, we noted that while tax increment revenues from the Housing Fund were pledged as collateral for new debt issuances during the fiscal year ended June 30, 2004, the Agency did not allocate any portions of the debt proceeds to the Housing Fund, as required. The Agency was unaware of any such requirements. As such, the Agency’s various housing funds are understated for the amount of debt proceeds that were not appropriately allocated at the time of debt issuance.

We recommend that the Agency transfer the appropriate amount of debt proceeds from various special revenue funds that currently account for debt proceeds to the Housing Fund.

*Management Response:*

We agree. While the Agency currently sets proceeds aside in separate special revenue funds, they have not been transferred directly into the Housing funds established with the bond issue. The Agency will transfer the appropriate amount of debt proceeds into the Housing funds as required in the Guidelines cited above.

**2004-f Conflict of Interest**

The California Government Code section 87300 requires that every agency “adopt and promulgate a Conflict of Interest Code.” In addition, the Centre City Development Corporation’s Conflict of Interest Code outlines those persons that are required to file Statement of Economic Interests.

During our review of the filing of Statement of Economic Interests forms, we noted that the Agency did not receive 1 out of the 40 forms selected for testing. The Agency’s policy is to penalize individuals that do not submit Statements of Economic Interest in a timely fashion; however, we noted that the Agency did not strictly enforce this policy.

We recommend that the Agency develop procedures to ensure that all required Statement of Economic Interests forms are submitted in a timely manner and enforce its current policy for untimely submissions of the Statement of Economic Interests.

*Management Response:*

Management agrees and the City Clerk has taken corrective action to follow up with this individual to obtain the signed form. This form was turned in late however, and the individual has been trained on proper protocols for future submissions.

**REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2004**

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Findings related to the financial statements

<b>Reference Number:</b>	<b>2003-1</b>
Topic	Material Weakness in Internal Controls over Financial Reporting
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:	Not corrected during the fiscal year ended June 30, 2004.

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Findings related to compliance

<b>Reference Number:</b>	<b>2003-a</b>
Compliance Area:	20% Tax Increment Allocation
Audit Finding:	The Agency deposited 20% of the net tax increment revenues rather than the gross amount as required by California Health and Safety Code Section 3334.6 (c)
Status of Corrective Action:	Not corrected during fiscal year ended June 30, 2004. See current year finding 2004-a.
<b>Reference Number:</b>	<b>2003-b</b>
Compliance Area:	Annual Report Submission to the City Council
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, 2004. See current year finding 2004-b.
<b>Reference Number:</b>	<b>2003-c</b>
Compliance Area:	Monitoring of Available Affordable Housing
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:	Partially implemented. See current year finding 2004-c.

**REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2004**

**Reference Number:** 2003-d  
Compliance Area: Real Property Acquisitions

Audit Finding: The Agency was unable to provide a complete and detailed listing of properties held by the Agency at June 30, 2003.

Status of Corrective Action: Not corrected during fiscal year ended June 30, 2004. See current year finding 2004-d.

**Reference Number:** 2003-e  
Compliance Area: Planning and Administrative Expenses

Audit Finding: The Agency did not determine in writing that planning and administrative expenditures incurred were necessary for the production, improvement, or preservation of low and moderate income housing.

Status of Corrective Action: Corrected during fiscal year ended June 30, 2004. As recommended, the Agency began requiring the Board of Directors to officially determine that the planning and administrative expenditures are necessary for the production, improvement, or preservation if low and moderate income housing.

**Reference Number:** 2003-f  
Compliance Area: Pledging of Collateral

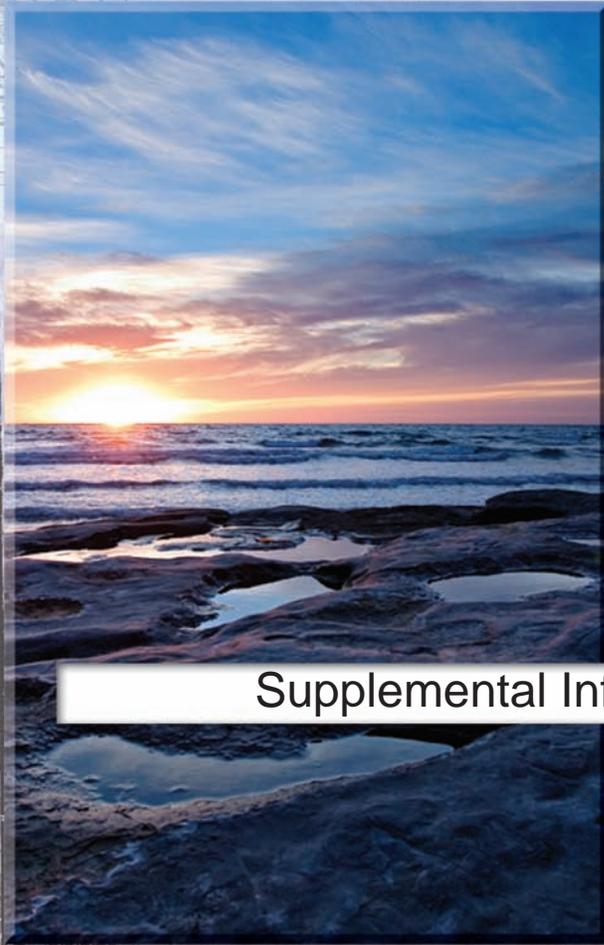
Audit Finding: The Agency did not allocate any portions of debt proceeds from the issuances of new debt whereby tax increment revenues from housing funds were pledged as collateral.

Status of Corrective Action: Not corrected during fiscal year ended June 30, 2004. See current year finding 2004-e.

**Reference Number:** 2003-g  
Compliance Area: Conflict of Interest

Audit Finding: The Agency was unable to provide 3 out of 80 Statements of Economic Interests. Additionally, 8 out of the 77 forms provided were submitted late by the respondents.

Status of Corrective Action: Not corrected during fiscal year ended June 30, 2004. See current year finding 2004-f.



**Supplemental Information**  
(Unaudited)

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 2003-04 (BASE YEAR 1991-92)**  
**(UNAUDITED)**

	Base Year 1991-92	Revised Base Year 1991-92	1994-95
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 32,772	\$ 32,772	\$ 52,476
Public Utilities - State Assessed.....	2,829	2,608	165
Total Secured Valuation.....	35,601	35,380	52,641
Unsecured - Locally Assessed.....	4,710	4,692	2,373
Total Gross Valuation.....	40,311	40,072	55,014
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	3,664	3,664	11,580
Unsecured - Locally Assessed.....	-	-	3
Total Exemptions.....	3,664	3,664	11,583
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	29,108	29,108	40,896
Public Utilities - State Assessed.....	2,829	2,608	165
Net Secured.....	31,937	31,716	41,061
Unsecured - Locally Assessed.....	4,710	4,692	2,370
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 36,647</b>	<b>\$ 36,408</b>	<b>\$ 43,431</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....			7,023
Percentage Increase (Decrease) Over Base Year.....			19.29%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 217	\$ 217	\$ 245
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	217	217	245
<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	28,891	40,651
Public Utilities - State Assessed.....	2,829	2,608	165
Net Secured.....	31,720	31,499	40,816
Unsecured - Locally Assessed.....	4,710	4,692	2,370
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 36,430</b>	<b>\$ 36,191</b>	<b>\$ 43,186</b>

1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
\$ 53,150 220	\$ 41,539 236	\$ 42,711 260	\$ 43,675 378	\$ 45,664 411	\$ 46,178 420	\$ 49,720 429	\$ 51,543 386	\$ 56,030 334
53,370 2,450	41,775 2,583	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
55,820	44,358	45,601	47,977	52,001	52,487	57,097	55,490	61,778
14,940 3	7,746 -	7,996 -	8,216 713	8,634 1,048	8,356 1,233	8,501 2,362	7,621 0	7,834 1,441
14,943	7,746	7,996	8,929	9,682	9,589	10,863	7,621	9,275
38,210 220	33,793 236	34,715 260	35,459 378	37,030 411	37,822 420	41,219 429	43,922 386	48,196 334
38,430 2,447	34,029 2,583	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
\$ 40,877	\$ 36,612	\$ 37,605	\$ 39,048	\$ 42,319	\$ 42,898	\$ 46,234	\$ 47,869	\$ 52,503
4,469	(4,354)	(3,044)	(1,601)	1,670	2,249	5,585	7,220	11,854
12.27%	-10.63%	-7.49%	-3.94%	4.11%	5.53%	13.74%	17.76%	29.16%
\$ 224 -	\$ 217 -	\$ 224 -	\$ 224 -	\$ 217 -	\$ 217 -	\$ 217 -	\$ 217 -	\$ 189 -
224	217	224	224	217	217	217	217	189
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
37,986 220	33,576 236	34,491 260	35,235 378	36,813 411	37,605 420	41,002 429	43,705 386	48,007 334
38,206 2,447	33,812 2,583	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
\$ 40,653	\$ 36,395	\$ 37,381	\$ 38,824	\$ 42,102	\$ 42,681	\$ 46,017	\$ 47,652	\$ 52,314

**CENTRAL IMPERIAL REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2003-04 (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
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 90,837	\$ 86,675	\$ 82,634
<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
NET ASSESSED VALUATION.....	\$ 89,804	\$ 85,636	\$ 81,415

1996-97	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
\$ 96,170	\$ 97,516	\$ 67,688	\$ 83,275	\$ 88,975	\$ 102,297	\$ 114,448	\$ 123,326	\$ 137,669
-	-	-	-	-	-	-	-	-
96,170	97,516	67,688	83,275	88,975	102,297	114,448	123,326	137,669
1,857	1,558	2,693	1,738	1,997	2,240	3,412	3,261	5,195
98,027	99,074	70,381	85,013	90,972	104,537	117,860	126,587	142,864
15,218	15,202	6,693	14,133	10,006	16,120	14,351	14,935	16,287
86	-	-	16	187	76	462	5	290
15,304	15,202	6,693	14,149	10,193	16,196	14,813	14,940	16,577
80,952	82,314	60,995	69,142	78,969	86,177	100,097	108,391	121,382
-	-	-	-	-	-	-	-	-
80,952	82,314	60,995	69,142	78,969	86,177	100,097	108,391	121,382
1,771	1,558	2,693	1,722	1,810	2,164	2,950	3,256	4,905
\$ 82,723	\$ 83,872	\$ 63,688	\$ 70,864	\$ 80,779	\$ 88,341	\$ 103,047	\$ 111,647	\$ 126,287
(8,114)	(6,965)		7,176	17,091	24,653	39,359	47,959	62,599
-8.93%	-7.67%		11.27%	26.84%	38.71%	61.80%	75.30%	98.29%
\$ 1,347	\$ 1,416	\$ 1,033	\$ 1,447	\$ 1,541	\$ 1,636	\$ 1,636	\$ 1,944	\$ 1,946
-	-	-	-	-	-	-	-	-
1,347	1,416	1,033	1,447	1,541	1,636	1,636	1,944	1,946
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
79,605	80,898	59,962	67,695	77,428	84,541	98,461	106,447	119,436
-	-	-	-	-	-	-	-	-
79,605	80,898	59,962	67,695	77,428	84,541	98,461	106,447	119,436
1,771	1,558	2,693	1,722	1,810	2,164	2,950	3,256	4,905
\$ 81,376	\$ 82,456	\$ 62,655	\$ 69,417	\$ 79,238	\$ 86,705	\$ 101,411	\$ 109,703	\$ 124,341

**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 2003-04 (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><u>\$ 15,037</u></b>	<b><u>\$ 14,915</u></b>	<b><u>\$ 16,172</u></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><u>\$ 14,316</u></b>	<b><u>\$ 14,194</u></b>	<b><u>\$ 15,458</u></b>

2001-02	2002-03	2003-04
\$ 18,508	\$ 32,461	\$ 37,450
-	-	-
18,508	32,461	37,450
247	1,399	2,340
18,755	33,860	39,790
1,234	1,156	1,180
229	-	184
1,463	1,156	1,364
17,274	31,305	36,270
-	-	-
17,274	31,305	36,270
18	1,399	2,156
<u>\$ 17,292</u>	<u>\$ 32,704</u>	<u>\$ 38,426</u>
2,255	17,667	23,389
15.00%	117.49%	155.54%
\$ 714	\$ 742	\$ 805
-	-	-
714	742	805
-	-	-
-	-	-
16,560	30,563	35,465
-	-	-
16,560	30,563	35,465
18	1,399	2,156
<u>\$ 16,578</u>	<u>\$ 31,962</u>	<u>\$ 37,621</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 2003-04 (BASE YEAR 2001-02)**  
**(UNAUDITED)**

	Base Year 2001-02	2001-02	2002-03	2003-04
<b><u>GROSS</u></b>				
Secured - Locally Assessed.....	\$ 3,215	\$ 10,279	\$ 14,131	\$ 14,793
Public Utilities - State Assessed.....	-	-	-	-
Total Secured Valuation.....	3,215	10,279	14,131	14,793
Unsecured - Locally Assessed.....	-	-	2,022	1,982
Total Gross Valuation.....	3,215	10,279	16,153	16,775
<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	14,793
Public Utilities - State Assessed.....	-	-	-	-
Net Secured.....	3,215	10,279	14,131	14,793
Unsecured - Locally Assessed.....	-	-	2,022	1,982
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 3,215</b>	<b>\$ 10,279</b>	<b>\$ 16,153</b>	<b>\$ 16,775</b>
<b><u>INCREMENT</u></b>				
Net Assessed Valuation Increase (Decrease) Over Base Year.....		7,064	12,938	13,560
Percentage Increase (Decrease) Over Base Year.....		219.72%	402.43%	421.77%
<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	14,793
Public Utilities - State Assessed.....	-	-	-	-
Net Secured.....	3,215	10,279	14,131	14,793
Unsecured - Locally Assessed.....	-	-	2,022	1,982
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 3,215</b>	<b>\$ 10,279</b>	<b>\$ 16,153</b>	<b>\$ 16,775</b>

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**CENTRE CITY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2003-04 (BASE YEAR 1992-93)**  
**(UNADITED)**

	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	2003-04
\$ 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	\$ 2,082,010 4,894
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	2,086,904 130,423
926,219	1,156,429	941,270	1,045,392	1,204,168	1,381,981	1,560,591	1,782,679	2,217,327
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	106,992 7,810
87,981	62,019	91,787	92,299	100,218	111,388	110,357	105,849	114,802
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	1,975,018 4,894
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	1,979,912 122,613
<u>\$ 838,238</u>	<u>\$ 1,094,410</u>	<u>\$ 849,483</u>	<u>\$ 953,093</u>	<u>\$ 1,103,950</u>	<u>\$ 1,270,593</u>	<u>\$ 1,450,234</u>	<u>\$ 1,676,830</u>	<u>\$ 2,102,525</u>
(257,455)		(244,927)	(141,317)	9,540	176,183	355,824	582,420	1,008,115
-23.50%		-22.38%	-12.91%	0.87%	16.10%	32.51%	53.22%	92.11%
\$ 902 -	\$ 714 -	\$ 980 -	\$ 1,077 -	\$ 1,182 -	\$ 1,133 -	\$ 1,133 61	\$ 1,248 -	\$ 1,351 -
902	714	980	1,077	1,182	1,133	1,194	1,248	1,351
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
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	1,973,667 4,894
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	1,978,561 122,613
<u>\$ 837,336</u>	<u>\$ 1,093,696</u>	<u>\$ 848,503</u>	<u>\$ 952,016</u>	<u>\$ 1,102,768</u>	<u>\$ 1,269,460</u>	<u>\$ 1,449,040</u>	<u>\$ 1,675,582</u>	<u>\$ 2,101,174</u>

**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 2003-04 (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
Total Secured Valuation.....	36,846	456,184	432,986
Unsecured - Locally Assessed.....	18,870	57,303	53,503
Total Gross Valuation.....	55,716	513,487	486,489
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	1,507	3,521	3,558
Unsecured - Locally Assessed.....	-	157	22
Total Exemptions.....	1,507	3,678	3,580
<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
Net Secured.....	35,339	452,663	429,428
Unsecured - Locally Assessed.....	18,870	57,146	53,481
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 54,209</b>	<b>\$ 509,809</b>	<b>\$ 482,909</b>
<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.....	-	-	-
Total Homeowners' Exemptions.....	-	839	802
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	178	-	-
Unsecured - Locally Assessed.....	1,602	-	-
Total Business Inventory Exemptions.....	1,780	-	-
<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
Net Secured.....	35,161	451,824	428,626
Unsecured - Locally Assessed.....	17,268	57,146	53,481
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 52,429</b>	<b>\$ 508,970</b>	<b>\$ 482,107</b>

	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	\$ 437,849	\$ 18,553	\$ 519,344	\$ 563,347	\$ 602,524	\$ 643,416	\$ 718,080	\$ 940,867
	17,131	1,518	1,038	1,742	1,906	1,923	-	1,858	1,758
	35,685	439,367	19,591	521,086	565,253	604,447	643,416	719,938	942,625
	18,870	57,458	18,870	47,267	52,096	57,950	61,602	67,298	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	1,507	387	2,191	2,229	2,051	2,122	2,163
	-	253	-	281	401	531	593	-	653
	1,507	2,246	1,507	668	2,592	2,760	2,644	2,122	2,816
	17,047	435,856	17,046	518,957	561,156	600,295	641,365	715,958	938,704
	17,131	1,518	1,038	1,742	1,906	1,923	-	1,858	1,758
	34,178	437,374	18,084	520,699	563,062	602,218	641,365	717,816	940,462
	18,870	57,205	18,870	46,986	51,695	57,419	61,009	67,298	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	-	178	-	-	-	-	-	-
	1,602	-	1,602	-	-	-	-	-	-
	1,780	-	1,780	-	-	-	-	-	-
	16,869	434,996	16,868	518,089	560,229	599,329	640,399	714,971	937,774
	17,131	1,518	1,038	1,742	1,906	1,923	-	1,858	1,758
	34,000	436,514	17,906	519,831	562,135	601,252	640,399	716,829	939,532
	17,268	57,205	17,268	46,986	51,695	57,419	61,009	67,298	72,058
\$	51,268	\$ 493,719	\$ 35,174	\$ 566,817	\$ 613,830	\$ 658,671	\$ 701,408	\$ 784,127	\$ 1,011,590

**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 2003-04 (BASE YEAR 1982-83)**  
**(UNAUDITED)**

	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	2003-04
\$ 100,504 26	\$ 105,400 29	\$ 31,114 61	\$ 126,908 42	\$ 160,567 45	\$ 214,793 46	\$ 233,212 -	\$ 249,340 43	\$ 275,444 37
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	275,481 28,715
107,578	113,875	33,481	138,937	173,814	232,519	252,602	273,216	304,196
1,644 -	1,631 -	1,047 -	1,634 6	- 10	291 8	297 24	303 -	309 8
1,644	1,631	1,047	1,640	10	299	321	303	317
98,860 26	103,769 29	30,067 61	125,274 42	160,567 45	214,502 46	232,915 -	249,037 43	275,135 37
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	275,172 28,707
\$ 105,934	\$ 112,244	\$ 32,434	\$ 137,297	\$ 173,804	\$ 232,220	\$ 252,281	\$ 272,913	\$ 303,879
71,828	78,138		104,863	141,370	199,786	219,847	240,479	271,445
210.60%	229.10%		323.31%	435.87%	615.98%	677.83%	741.44%	836.91%
\$ 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	275,128 37
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	275,165 28,707
\$ 105,927	\$ 112,237	\$ 32,434	\$ 137,297	\$ 173,797	\$ 232,213	\$ 252,274	\$ 272,906	\$ 303,872

**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 2003-04 (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	2003-04
\$ 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	\$ 1,913,850 417
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	1,914,267 69,965
18,961	781,388	17,253	823,615	877,712	940,284	1,147,527	1,340,188	1,984,232
143 -	19,397 -	143 -	19,782 97	20,400 88	20,558 88	22,941 3,553	23,137 2,573	25,328 4,153
143	19,397	143	19,879	20,488	20,646	26,494	25,710	29,481
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	1,888,522 417
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	1,888,939 65,812
\$ 18,818	\$ 761,991	\$ 17,110	\$ 803,736	\$ 857,224	\$ 919,638	\$ 1,121,033	\$ 1,314,478	\$ 1,954,751
	743,173		786,626	840,114	902,528	1,103,923	1,297,368	1,937,641
	3949.27%		4597.46%	4910.08%	5274.86%	6451.92%	7582.51%	11324.61%
\$ 867 -	\$ 1,792 95	\$ 867 -	\$ 2,001 -	\$ 2,351 -	\$ 2,280 116	\$ 2,280 116	\$ 2,834 -	\$ 3,910 -
867	1,887	867	2,001	2,351	2,396	2,396	2,834	3,910
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
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	1,884,612 417
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	1,885,029 65,812
\$ 17,951	\$ 760,104	\$ 16,243	\$ 801,735	\$ 854,873	\$ 917,242	\$ 1,118,637	\$ 1,311,644	\$ 1,950,841

**CITY HEIGHTS REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2003-04 (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.....	<u>1,242,821</u>	<u>1,235,913</u>	<u>1,132,120</u>
<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.....	<u>25,677</u>	<u>25,064</u>	<u>25,857</u>
<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><u>\$ 1,217,144</u></b>	<b><u>\$ 1,210,849</u></b>	<b><u>\$ 1,106,263</u></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.....	<u>-</u>	<u>19,985</u>	<u>19,674</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.....	1,196,218	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><u>\$ 1,217,144</u></b>	<b><u>\$ 1,190,864</u></b>	<b><u>\$ 1,086,589</u></b>

Revised Base Year 1992-93	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
\$ 1,034,935	\$ 1,000,884	\$ 1,027,567	\$ 1,010,076	\$ 1,045,685	\$ 1,118,357	\$ 1,227,363	\$ 1,371,384	\$ 1,536,318
-	-	-	-	-	-	-	-	-
1,034,935	1,000,884	1,027,567	1,010,076	1,045,685	1,118,357	1,227,363	1,371,384	1,536,318
20,926	14,297	20,926	17,330	17,759	18,869	18,078	21,608	27,638
1,055,861	1,015,181	1,048,493	1,027,406	1,063,444	1,137,226	1,245,441	1,392,992	1,563,956
25,064	26,792	25,064	27,331	31,489	43,087	44,494	49,928	59,297
-	166	-	199	544	574	909	122	801
25,064	26,958	25,064	27,530	32,033	43,661	45,403	50,050	60,098
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869	1,321,456	1,477,021
-	-	-	-	-	-	-	-	-
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869	1,321,456	1,477,021
20,926	14,131	20,926	17,131	17,215	18,295	17,169	21,486	26,837
\$ 1,030,797	\$ 988,223	\$ 1,023,429	\$ 999,876	\$ 1,031,411	\$ 1,093,565	\$ 1,200,038	\$ 1,342,942	\$ 1,503,858
	(42,574)		(23,553)	7,982	70,136	176,609	319,513	480,429
	-4.13%		-2.30%	0.78%	6.85%	17.26%	31.22%	46.94%
\$ 19,985	\$ 19,421	\$ 19,985	\$ 19,127	\$ 19,734	\$ 19,838	\$ 19,838	\$ 20,689	\$ 21,143
-	-	-	-	-	-	-	-	-
19,985	19,421	19,985	19,127	19,734	19,838	19,838	20,689	21,143
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
989,886	954,671	982,518	963,618	994,462	1,055,432	1,163,031	1,300,767	1,455,878
-	-	-	-	-	-	-	-	-
989,886	954,671	982,518	963,618	994,462	1,055,432	1,163,031	1,300,767	1,455,878
20,926	14,131	20,926	17,131	17,215	18,295	17,169	21,486	26,837
\$ 1,010,812	\$ 968,802	\$ 1,003,444	\$ 980,749	\$ 1,011,677	\$ 1,073,727	\$ 1,180,200	\$ 1,322,253	\$ 1,482,715

**COLLEGE COMMUNITY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2003-04 (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

**COLLEGE GROVE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2003-04 (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
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>19,937</b>	<b>38,064</b>	<b>30,563</b>
<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
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 19,937</b>	<b>\$ 38,064</b>	<b>\$ 30,563</b>

1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
\$ 26,283	\$ 26,507	\$ 17,135	\$ 26,846	\$ 25,176	\$ 53,271	\$ 61,376	\$ 62,738	\$ 61,096
-	-	14	-	-	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376	62,738	61,096
2,692	3,158	2,510	2,705	1,669	2,851	6,879	8,505	6,197
<u>28,975</u>	<u>29,665</u>	<u>19,659</u>	<u>29,551</u>	<u>26,845</u>	<u>56,122</u>	<u>68,255</u>	<u>71,243</u>	<u>67,293</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376	62,738	61,096
-	-	14	-	-	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376	62,738	61,096
2,692	3,158	2,510	2,705	1,669	2,851	6,879	8,505	6,197
<u>28,975</u>	<u>29,665</u>	<u>19,659</u>	<u>29,551</u>	<u>26,845</u>	<u>56,122</u>	<u>68,255</u>	<u>71,243</u>	<u>67,293</u>
9,038	9,728		9,892	7,186	36,463	48,596	51,584	47,634
45.33%	48.79%		50.32%	36.55%	185.48%	247.19%	262.39%	242.30%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376	62,738	61,096
-	-	14	-	-	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376	62,738	61,096
2,692	3,158	2,510	2,705	1,669	2,851	6,879	8,505	6,197
<u>\$ 28,975</u>	<u>\$ 29,665</u>	<u>\$ 19,659</u>	<u>\$ 29,551</u>	<u>\$ 26,845</u>	<u>\$ 56,122</u>	<u>\$ 68,255</u>	<u>\$ 71,243</u>	<u>\$ 67,293</u>

**GATEWAY CENTER WEST REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2003-04 (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	2003-04
\$ 20,915	\$ 22,079	\$ 3,302	\$ 22,008	\$ 22,412	\$ 22,100	\$ 24,462	\$ 25,654	\$ 27,585
-	-	-	-	-	-	-	-	-
20,915	22,079	3,302	22,008	22,412	22,100	24,462	25,654	27,585
4,096	2,719	454	2,417	2,066	3,005	4,471	3,898	3,746
25,011	24,798	3,756	24,425	24,478	25,105	28,933	29,552	31,331
4,912	5,010	87	5,111	5,205	5,309	5,415	5,524	5,634
-	201	-	118	109	165	186	-	177
4,912	5,211	87	5,229	5,314	5,474	5,601	5,524	5,811
16,003	17,069	3,215	16,897	17,207	16,791	19,047	20,130	21,951
-	-	-	-	-	-	-	-	-
16,003	17,069	3,215	16,897	17,207	16,791	19,047	20,130	21,951
4,096	2,518	454	2,299	1,957	2,840	4,285	3,898	3,569
\$ 20,099	\$ 19,587	\$ 3,669	\$ 19,196	\$ 19,164	\$ 19,631	\$ 23,332	\$ 24,028	\$ 25,520
14,590	14,078		15,527	15,495	15,962	19,663	20,359	21,851
264.84%	255.55%		423.19%	422.32%	435.05%	535.92%	554.89%	595.56%
\$ 63	\$ 70	\$ 189	\$ 70	\$ 70	\$ 70	\$ 70	\$ 56	\$ 56
-	-	-	-	-	-	-	-	-
63	70	189	70	70	70	70	56	56
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,977	20,074	21,895
-	-	-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,977	20,074	21,895
4,096	2,518	454	2,299	1,957	2,840	4,285	3,898	3,569
\$ 20,036	\$ 19,517	\$ 3,480	\$ 19,126	\$ 19,094	\$ 19,561	\$ 23,262	\$ 23,972	\$ 25,464

**HORTON PLAZA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2003-04 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	Base Year 1972-73	1994-95	1995-96
<b>GROSS</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>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</b>			
Secured - Locally Assessed.....	522	-	-
Unsecured - Locally Assessed.....	-	608	660
Total Exemptions.....	522	608	660
<b>NET ASSESSED VALUATIONS FOR TAX RATE</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>INCREMENT</b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		419,512	358,946
Percentage Increase (Decrease) Over Base Year.....		2234.78%	1912.14%
<b>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</b>			
Secured - Locally Assessed.....	\$ -	\$ 609	\$ 595
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	609	595
<b>BUSINESS INVENTORY EXEMPTIONS</b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	307	-	-
Total Business Inventory Exemptions.....	307	-	-
<b>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</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	2003-04
\$ 346,766	\$ 364,213	\$ 15,718	\$ 373,433	\$ 455,518	\$ 473,520	\$ 500,728	\$ 522,112	\$ 521,454
-	-	3	-	-	-	-	-	-
346,766	364,213	15,721	373,433	455,518	473,520	500,728	522,112	521,454
25,055	26,626	2,203	28,495	43,981	46,557	44,642	59,284	56,366
371,821	390,839	17,924	401,928	499,499	520,077	545,370	581,396	577,820
-	-	522	-	-	-	-	-	-
557	922	-	528	7,384	7,597	7,848	7,279	7,672
557	922	522	528	7,384	7,597	7,848	7,279	7,672
346,766	364,213	15,196	373,433	455,518	473,520	500,728	522,112	521,454
-	-	3	-	-	-	-	-	-
346,766	364,213	15,199	373,433	455,518	473,520	500,728	522,112	521,454
24,498	25,704	2,203	27,967	36,597	38,960	36,794	52,005	48,694
\$ 371,264	\$ 389,917	\$ 17,402	\$ 401,400	\$ 492,115	\$ 512,480	\$ 537,522	\$ 574,117	\$ 570,148
352,492	371,145		383,998	474,713	495,078	520,120	556,715	552,746
1877.75%	1977.12%		2206.63%	2727.92%	2844.95%	2988.85%	3199.14%	3176.34%
\$ 630	\$ 679	\$ -	\$ 728	\$ 735	\$ 754	\$ 755	\$ 748	\$ 714
-	-	-	-	-	-	-	-	-
630	679	-	728	735	754	755	748	714
-	-	-	-	-	-	-	-	-
-	-	307	-	-	-	-	-	-
-	-	307	-	-	-	-	-	-
346,136	363,534	15,196	372,705	454,783	472,766	499,973	521,364	520,740
-	-	3	-	-	-	-	-	-
346,136	363,534	15,199	372,705	454,783	472,766	499,973	521,364	520,740
24,498	25,704	1,896	27,967	36,597	38,960	36,794	52,005	48,694
\$ 370,634	\$ 389,238	\$ 17,095	\$ 400,672	\$ 491,380	\$ 511,726	\$ 536,767	\$ 573,369	\$ 569,434

**LINDA VISTA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2003-04 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	Base Year 1972-73	Revised Base Year 1972-73	1995-96
<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.....	2,399	2,388	8,705
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	7	7	-
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	7	7	-
<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>\$ 2,392</b>	<b>\$ 2,381</b>	<b>\$ 8,705</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.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	153	153	-
Total Business Inventory Exemptions.....	153	153	-
<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>\$ 2,239</b>	<b>\$ 2,228</b>	<b>\$ 8,705</b>

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
\$ 7,242	\$ 7,373	\$ 1,600	\$ 7,505	\$ 8,123	\$ 8,807	\$ 9,163	\$ 9,333	\$ 8,236
-	-	-	-	-	-	-	-	-
7,242	7,373	1,600	7,505	8,123	8,807	9,163	9,333	8,236
1,826	1,461	660	1,319	1,926	2,385	2,433	2,655	2,639
9,068	8,834	2,260	8,824	10,049	11,192	11,596	11,988	10,875
-	-	7	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	7	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163	9,333	8,236
-	-	-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163	9,333	8,236
1,826	1,461	660	1,319	1,926	2,385	2,433	2,655	2,639
\$ 9,068	\$ 8,834	\$ 2,253	\$ 8,824	\$ 10,049	\$ 11,192	\$ 11,596	\$ 11,988	\$ 10,875
6,687	6,453		6,571	7,796	8,939	9,343	9,735	8,622
280.85%	271.02%		291.66%	346.03%	396.76%	414.69%	432.09%	382.69%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	153	-	-	-	-	-	-
-	-	153	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163	9,333	8,236
-	-	-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163	9,333	8,236
1,826	1,461	507	1,319	1,926	2,385	2,433	2,655	2,639
\$ 9,068	\$ 8,834	\$ 2,100	\$ 8,824	\$ 10,049	\$ 11,192	\$ 11,596	\$ 11,988	\$ 10,875

**MOUNT HOPE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2003-04 (BASE YEAR 1982-83)**  
**(UNADITED)**

	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	2003-04
\$ 70,232	\$ 72,740	\$ 18,484	\$ 75,324	\$ 77,535	\$ 90,378	\$ 96,022	\$ 100,959	\$ 108,817
-	-	-	-	-	-	-	-	-
70,232	72,740	18,484	75,324	77,535	90,378	96,022	100,959	108,817
10,271	12,224	24	18,209	18,325	15,642	16,268	20,592	18,539
80,503	84,964	18,508	93,533	95,860	106,020	112,290	121,551	127,356
1,248	1,364	443	1,306	1,271	1,186	905	905	9,748
9	25	-	9	-	7	-	-	7
1,257	1,389	443	1,315	1,271	1,193	905	905	9,755
68,984	71,376	18,041	74,018	76,264	89,192	95,117	100,054	99,069
-	-	-	-	-	-	-	-	-
68,984	71,376	18,041	74,018	76,264	89,192	95,117	100,054	99,069
10,262	12,199	24	18,200	18,325	15,635	16,268	20,592	18,532
\$ 79,246	\$ 83,575	\$ 18,065	\$ 92,218	\$ 94,589	\$ 104,827	\$ 111,385	\$ 120,646	\$ 117,601
60,465	64,794		74,153	76,524	86,762	93,320	102,581	99,536
321.95%	345.00%		410.48%	423.60%	480.28%	516.58%	567.84%	550.99%
\$ 1,442	\$ 1,519	\$ 1,414	\$ 1,532	\$ 1,518	\$ 1,518	\$ 1,518	\$ 1,526	\$ 1,557
-	-	-	-	-	-	-	-	-
1,442	1,519	1,414	1,532	1,518	1,518	1,518	1,526	1,557
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
67,542	69,857	16,627	72,486	74,746	87,674	93,599	98,528	97,512
-	-	-	-	-	-	-	-	-
67,542	69,857	16,627	72,486	74,746	87,674	93,599	98,528	97,512
10,262	12,199	24	18,200	18,325	15,635	16,268	20,592	18,532
\$ 77,804	\$ 82,056	\$ 16,651	\$ 90,686	\$ 93,071	\$ 103,309	\$ 109,867	\$ 119,120	\$ 116,044

**NAVAL TRAINING CENTER REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1999-2000 TO 2003-04 (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>

<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ -	\$ 11,090	\$ 100,366
-	-	-
-	11,090	100,366
-	8	481
-	<u>11,098</u>	<u>100,847</u>
-	-	-
-	-	-
-	-	-
-	11,090	100,366
-	-	-
-	11,090	100,366
-	8	481
<u>\$ -</u>	<u>\$ 11,098</u>	<u>\$ 100,847</u>
-	11,098	100,847
N/A	N/A	N/A
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	11,090	100,366
-	-	-
-	11,090	100,366
-	8	481
<u>\$ -</u>	<u>\$ 11,098</u>	<u>\$ 100,847</u>

**NORTH BAY REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1999-2000 TO 2003-04 (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
\$ 828,519	\$ 671,088	\$ 879,653	\$ 907,188
<u>8,440</u>	<u>4,917</u>	<u>7,603</u>	<u>6,570</u>
836,959	676,005	887,256	913,758
<u>84,023</u>	<u>76,363</u>	<u>92,229</u>	<u>103,680</u>
<u>920,982</u>	<u>752,368</u>	<u>979,485</u>	<u>1,017,438</u>
60,979	63,278	72,720	36,897
<u>6,530</u>	<u>-</u>	<u>3,177</u>	<u>5,769</u>
<u>67,509</u>	<u>63,278</u>	<u>75,897</u>	<u>42,666</u>
767,540	607,810	806,933	870,291
<u>8,440</u>	<u>4,917</u>	<u>7,603</u>	<u>6,570</u>
775,980	612,727	814,536	876,861
<u>77,493</u>	<u>76,363</u>	<u>89,052</u>	<u>97,911</u>
<u>\$ 853,473</u>	<u>\$ 689,090</u>	<u>\$ 903,588</u>	<u>\$ 974,772</u>
170,001		214,498	285,682
24.87%		31.13%	41.46%
\$ 2,222	\$ -	\$ 2,320	\$ 2,328
<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,257</u>	<u>-</u>	<u>2,320</u>	<u>2,328</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
765,318	607,810	804,613	867,963
<u>8,440</u>	<u>4,917</u>	<u>7,603</u>	<u>6,570</u>
773,758	612,727	812,216	874,533
<u>77,458</u>	<u>76,363</u>	<u>89,052</u>	<u>97,911</u>
<u>\$ 851,216</u>	<u>\$ 689,090</u>	<u>\$ 901,268</u>	<u>\$ 972,444</u>

**NORTH PARK REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1999-2000 TO 2003-04 (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
\$ 528,168	\$ 571,211	\$ 628,854
-	-	-
528,168	571,211	628,854
15,355	15,780	20,267
<u>543,523</u>	<u>586,991</u>	<u>649,121</u>
9,691	10,735	11,675
446	115	675
<u>10,137</u>	<u>10,850</u>	<u>12,350</u>
518,477	560,476	617,179
-	-	-
518,477	560,476	617,179
14,909	15,665	19,592
<u>\$ 533,386</u>	<u>\$ 576,141</u>	<u>\$ 636,771</u>
109,835	152,590	213,220
25.93%	36.03%	50.34%
\$ 5,410	\$ 5,624	\$ 5,676
-	-	-
<u>5,410</u>	<u>5,624</u>	<u>5,676</u>
-	-	-
-	-	-
-	-	-
513,067	554,852	611,503
-	-	-
513,067	554,852	611,503
14,909	15,665	19,592
<u>\$ 527,976</u>	<u>\$ 570,517</u>	<u>\$ 631,095</u>

**SAN YSIDRO REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1997-98 TO 2003-04 (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
\$ 228,338	\$ 244,704	\$ 295,357	\$ 356,615	\$ 378,030
-	-	-	-	-
228,338	244,704	295,357	356,615	378,030
10,870	11,982	14,042	19,867	25,139
239,208	256,686	309,399	376,482	403,169
27,554	29,730	13,127	54,484	55,014
58	72	137	-	1,814
27,612	29,802	13,264	54,484	56,828
200,784	214,974	282,230	302,131	323,016
-	-	-	-	-
200,784	214,974	282,230	302,131	323,016
10,812	11,910	13,905	19,867	23,325
\$ 211,596	\$ 226,884	\$ 296,135	\$ 321,998	\$ 346,341
10,959	26,247	95,498	121,361	145,704
5.46%	13.08%	47.60%	60.49%	72.62%
\$ 1,260	\$ 1,224	\$ 1,224	\$ 1,551	\$ 1,540
-	-	-	-	-
1,260	1,224	1,224	1,551	1,540
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
199,524	213,750	281,006	300,580	321,476
-	-	-	-	-
199,524	213,750	281,006	300,580	321,476
10,812	11,910	13,905	19,867	23,325
\$ 210,336	\$ 225,660	\$ 294,911	\$ 320,447	\$ 344,801

**SOUTHCREST REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2003-04 (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	2003-04
\$ 83,305	\$ 87,161	\$ 46,450	\$ 91,217	\$ 96,970	\$ 102,246	\$ 110,325	\$ 120,858	\$ 132,013
-	-	343	-	-	-	-	-	-
83,305	87,161	46,793	91,217	96,970	102,246	110,325	120,858	132,013
2,418	1,019	856	5,647	5,208	5,647	4,190	4,649	4,557
85,723	88,180	47,649	96,864	102,178	107,893	114,515	125,507	136,570
4,705	3,503	2,501	3,670	4,002	4,519	6,550	6,569	8,772
-	-	-	-	18	-	91	-	19
4,705	3,503	2,501	3,670	4,020	4,519	6,641	6,569	8,791
78,600	83,658	43,949	87,547	92,968	97,727	103,775	114,289	123,241
-	-	343	-	-	-	-	-	-
78,600	83,658	44,292	87,547	92,968	97,727	103,775	114,289	123,241
2,418	1,019	856	5,647	5,190	5,647	4,099	4,649	4,538
\$ 81,018	\$ 84,677	\$ 45,148	\$ 93,194	\$ 98,158	\$ 103,374	\$ 107,874	\$ 118,938	\$ 127,779
33,811	37,470		48,046	53,010	58,226	62,726	73,790	82,631
71.62%	79.37%		106.42%	117.41%	128.97%	138.93%	163.44%	183.02%
\$ 3,094	\$ 3,234	\$ 3,080	\$ 3,289	\$ 3,401	\$ 3,410	\$ 3,410	\$ 3,559	\$ 3,581
-	-	-	-	-	-	-	-	-
3,094	3,234	3,080	3,289	3,401	3,410	3,410	3,559	3,581
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
75,506	80,424	40,869	84,258	89,567	94,317	100,365	110,730	119,660
-	-	343	-	-	-	-	-	-
75,506	80,424	41,212	84,258	89,567	94,317	100,365	110,730	119,660
2,418	1,019	856	5,647	5,190	5,647	4,099	4,649	4,538
\$ 77,924	\$ 81,443	\$ 42,068	\$ 89,905	\$ 94,757	\$ 99,964	\$ 104,464	\$ 115,379	\$ 124,198