



# Redding Redevelopment Agency

Redding, California

*Comprehensive Annual Financial Report*

*For the year ended June 30, 2011*

Issued by the Finance Department

Stephen W. Strong  
Director of Finance



**Redding Redevelopment Agency**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

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## **INTRODUCTORY SECTION**





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November 22, 2011

To the Honorable Chairman and Members of the Redding Redevelopment Agency Board of Directors:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2011.

Management assumes full responsibility for the completeness and reliability of all the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

D. H. Scott and Company, a firm of licensed certified public accountants, has issued an unqualified ("clean") opinion on the Redding Redevelopment Agency's financial statements for the year ended June 30, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### **Profile of the Redding Redevelopment Agency**

The City Council of the City of Redding, acting pursuant to the provisions of Community Redevelopment Law [California Health and Safety Code § 33000, et seq.], activated the Agency on August 4, 1958. The Agency has broad authority to acquire, develop, administer, and sell or lease property, including the right of eminent domain and the right to issue long-term debt and expend proceeds.

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

The Agency is charged with the goal of eliminating blight within designated geographic areas known as *project areas* through the process of redevelopment. The first project area, adopted in 1968, was the Midtown Project consisting of 10 acres in the heart of downtown Redding. In 1990 Midtown was renamed the Market Street Redevelopment Project and expanded to 2,590 acres. The Canby-Hilltop-Cypress Redevelopment Project Area, containing the City of Redding's major retail area, was established in 1981 and expanded in 1990 to a total size of 2,050 acres. The Agency, along with the redevelopment agencies of the County of Shasta and the City of Anderson, in 1996 adopted the SHASTEK Redevelopment Project Area, a cooperative redevelopment project containing approximately 4,100 acres located in the eastern section of the City of Redding, the northern part of the City of Anderson, and intermingles with portions

of the County of Shasta. In 2006, SHASTECC was amended to include an additional 870 acres. The last project area known as Buckeye is a cooperative redevelopment project between the City of Redding and the County of Shasta. It was established in 2000 and contains 1,063 acres located in the northwest portion of the City of Redding and adjacent unincorporated areas of the County.

The Agency undertakes projects, programs and activities to eliminate blight and improve the physical and economic conditions of its project areas, including downtown revitalization, commercial and retail development, and construction of public facilities. Pursuant to Redevelopment Law, the Agency expends 20% of its tax increment revenue to preserve and improve low- and moderate-income housing.

The Agency, having adopted the City of Redding’s administrative policies and procedures, adopts a two-year budget that is reviewed and updated annually. The budget is prepared by fund (project area) and division (e.g., capital) and is used by the Agency as a planning tool and a work program for the ensuing period. It includes proposed expenditures, anticipated revenues, and amount of indebtedness. The Executive Director may make transfers of appropriations within a division. Transfers of appropriations between divisions and/or funds, however, require the special approval of the Board of Directors.

**Local Economy**

The growth and health of an area’s economy can be determined by monitoring a wide variety of indicators. Listed below are some of these indicators in the Redding Area.

*Population characteristics.* The City of Redding was one of the fastest growing cities in California between 1970 and 1990, growing to 66,432 residents in 1990 from 16,659 in 1970. However, lately the City’s population growth has slowed. From 2000 to 2010 the City’s population grew by an average of 1.11 percent. During the last year the City’s population growth was .41 percent. The City’s population of 90,250 has increased 11.6 percent over the 2000 U.S. Census tabulation. The City’s population represents approximately 50 percent of Shasta County’s population. The following table indicates population growth for the City and Shasta County from 1970 to 2011:

Year	City of Redding		Shasta County	
	Population	Annualized Percent Change Over Interval	Population	Annualized Percent Change Over Interval
1970	16,659	—	77,640	--
1980	41,995	9.69 %	119,449	4.40%
1990	66,432	4.69 %	147,036	2.10%
2000	80,865	1.99 %	163,256	1.05%
2010	89,878	1.11 %	177,248	0.85%
2011	90,250	0.41 %	177,924	0.38%

Source: 1970-2010 data from U.S. Census; 2011 data from the California State Department of Finance as of January 1.

The City's population, over the next 10 years, is projected to grow by approximately 7,306, an increase of approximately 8.1%. The Redding area is expected to maintain approximately 50% of the total Shasta County population because of a variety of factors that will support urban development, including utilities (wastewater, storm drainage, water, electric, and solid waste), employment, regional shopping, transportation services, and reduced commuting.

**Housing costs.** Housing in the City is less costly than in many other urban areas of the State of California and on the West Coast. The following table sets forth the median price of housing in other urban areas of California as compared to Redding as of June 2011:

<u>Region</u>	<u>Single Family Homes</u>
Sacramento	\$165,000
<b>Redding</b>	<b>175,500</b>
Los Angeles	301,300
Orange County	534,680
San Francisco	695,910

Source: California Association of Realtors & Shasta County Board of Realtors

**Industry and employment.** Extracting timber and the processing of wood by-products, together with agriculture, tourism, and government, have historically been the major sectors of employment in the City. However, the City's economic base has diversified to a regional service economy supported by retail and wholesale trade plus educational, recreational, medical and governmental services for an area covering several counties.

The major non-local governmental employers in the City and the County include those in medical services and retail services. Major employers in the City of Redding and the approximate number of their full-time employees can be found in the statistical section on page 124.

According to the State Employment Development Department, the unemployment rate of the City's metropolitan area was 15.0 percent on June 30, 2011. The following table sets forth the number and rate (expressed as a percentage) of unemployed persons living within the City's metropolitan area for the month of June 2002 through June 2011:

<u>June 30</u>	<u>Labor Force</u>	<u>Unemployment</u>	
		<u>Number</u>	<u>Rate</u>
2002	82,600	5,700	6.9%
2003	84,000	6,300	7.5%
2004	84,000	6,300	7.5%
2005	83,100	5,900	7.1%
2006	84,000	5,300	6.3%
2007	83,900	5,900	7.0%
2008	83,500	7,700	9.2%
2009	* 85,300	12,400	14.5%
2010	* 84,300	13,000	15.4%
2011	83,200	12,500	15.0%

Source: State Department of Employment Development (\*Years 2009-2010 revised)

**Construction activity.** For the past ten calendar years ending December 2010, the City issued building permits valued at a total of \$1,390,512,462. New construction over the ten-year period represents 71.07% of the total construction activity. For the 2010 calendar year 1,256 building permits were issued with a total permit valuation of \$33,648,870. Over the past four years permit activity has declined. Following overall statewide trends, year 2010 saw another downturn in permit and related construction activity. These trends are expected to continue in the current calendar year.

The following table sets forth the value and number of permits for new single- and multiple-family dwellings and businesses located in the City for the last four calendar years:

	2007	2008	2009	2010
Value - single family*	\$41,725,144	\$38,725,138	\$17,937,903	\$9,037,810
Number of permits	204	190	94	44
Value - multi dwellings	\$15,488,613	\$9,401,692	\$1,455,742	\$2,321,578
Number of permits (1)	22	5	8	30
Number of units	195	214	21	21
Value - business	\$31,378,290	\$21,086,685	\$19,730,416	\$10,595,061
Number of permits	50	31	17	12
Value - Total all permits	\$124,086,638	\$103,108,670	\$58,940,655	\$33,648,870
Total permits**	3,380	3,146	2,665	1,256

\* Value of new construction only

\*\* Does not include number of units for multi-dwellings

(1) Includes hotel and apartment units - "R" occupancies.

Source: City of Redding, Development Services Department

**Commerce.** The City is a regional center of commerce for several Northern California counties. This is evidenced by its many shopping centers and malls. Support for retail sales is derived from a retail trade area population of approximately 181,000 in the primary trade area and approximately 250,000 in the secondary trade area. The primary trade area consists of the metropolitan urban area, including the cities of Redding, Shasta Lake, and Anderson. The secondary trade area consists of Shasta, Trinity, and Tehama counties. Taxable transactions in the City were approximately \$1.6 billion in calendar year 2010, a 0.7 percent increase over the same period for 2009.

Year	Taxable Transactions (in Thousands)	Taxable Transactions Percentage Increase (Decrease)
2001	\$1,561,842	7.5%
2002	1,652,064	5.8%
2003	1,748,793	5.9%
2004	1,898,286	8.5%
2005	2,046,597	7.8%
2006	2,104,055	2.8%
2007	1,983,496	(5.7%)
2008	1,835,601	(7.5%)
2009	1,603,079	(12.7%)
2010	1,614,631	0.7%

Source: California State Board of Equalization

**Transportation.** The City enjoys a strategic location on U.S. Interstate Highway 5, the principal transportation artery running north-south from Canada to Mexico. The City is also bisected by State Route 44 and Highway 299, key east-west transportation arteries in Northern California.

The City is served by the Union Pacific Railroad and Amtrak for rail transportation. Greyhound serves the City with bus service. United Express Airlines provides air service from Redding Municipal Airport to San Francisco, California.

The Redding Area Bus Authority (RABA) is the City's multi-bus transportation system and offers thirteen different fixed routes, rural service and demand response (curb-to-curb) services. RABA had an average total monthly ridership of approximately 60,590 for fiscal year 2010-11.

**Utilities.** Electricity, solid waste collection and disposal, water, storm drainage, and wastewater services are provided by enterprise operations owned and operated by the City. Natural gas is provided by Pacific Gas and Electric Company (PG&E); basic telephone service by AT&T.

**Community Services.** Youth in the area attend school at one of 41 elementary schools, 9 middle/junior high schools, 12 charter schools, two regional occupation program, and 16 high schools. There are several higher educational institutions in the immediate area offering bachelor's and master's degrees: Chico State University Center for Regional and Continuing Education (located in the new Health Science & University Center, downtown Redding), National University, Simpson University, and Shasta Bible College & Graduate School. Shasta Community College, a two-year institution, offers both day and evening courses to approximately 14,000 students. In addition, there are several vocational & technical schools offering a diverse range of programs.

The City's parks system includes 67 developed parks, encompassing 590 acres. Included in this total acreage are 198 acres of natural area parks (improved open space) and 62 miles of trails. In addition, the City has 15 special purpose facilities, including the Redding Convention Center, which hosts cultural/performing arts programs, conferences, and conventions; the Redding Big League Dreams Sports Park; the Redding Aquatic Center; the Redding Soccer Park; the Senior Citizens Center; the Benton Dog Park; 3 boat ramp facilities that provide access to the Sacramento River; and various community centers and special event venues such as the Martin Luther King, Jr. Memorial Center and the Caldwell Recreation Center.

The City serves as the primary medical center for Northern California. The City's two general care hospitals serve approximately 360,000 people in Shasta, Tehama, Trinity, Siskiyou, and Lassen counties. The two hospitals have a total of 510 beds and employ more than 2,200 staff members. In addition, the City also has several specialized hospitals.

**Financial trends.** During the past ten years, the Agency's expenditures related to pass-throughs have increased not only in amount, but also as a percentage of total expenditures (a ten-year increase of 33.3 percent). Prior to fiscal year 2003-04 the Agency did not report the pass-through payments to Shasta County and the Mosquito Abatement District since these amounts were not available. In addition to this fact, pass-through payments will most likely continue to grow for four reasons: 1) the Agency entered into agreements with various school districts, as well as Shasta County and the Mosquito Abatement District, to increase the pass-through payments throughout the life of the Agency; 2) the Agency entered into an agreement with the City of Redding to partially reimburse the City for monies previously advanced to aid

the Agency in the Canby-Hilltop-Cypress and Market Street project areas; 3) the communities instrumental in establishing the SHASTE C and Buckeye project areas have elected to receive pass-through payments as authorized by Redevelopment law; and 4) the elimination of time lines for the establishment of debt in the Canby-Hilltop-Cypress and Market Street Redevelopment Project areas will trigger additional pass throughs.

During the same ten-year period, investment income decreased in amount by over \$0.7 million and decreased in percentage of total revenue (a ten-year decrease of 11 percent). The reason for the decline was the collapse of the financial markets and the sharp decline in interest rates.

### **Long-Term Financial Planning**

The Agency has a Five-Year Implementation Plan for each of its five project areas. These plans include proposed capital and housing projects as well as the financing necessary to accomplish the outlined goals.

The Agency currently has three outstanding loans from the City of Redding – two the responsibility of the Midtown Redevelopment Project Area and the other the SHASTE C Redevelopment Project Area. Annual payments are made utilizing tax increment revenues from the respective project area. In addition, the Market Street Redevelopment Project Area has two outstanding loans from the Canby-Hilltop-Cypress Redevelopment Project Area totaling \$2.6 million. Annual payments are made on the \$1.6 million loan utilizing tax increment revenue, while the \$1 million loan's source of repayment is proceeds from the State of California Administrative Office of the Courts upon the Agency's transfer of title of property being acquired via eminent domain to the State for the new Shasta County Courthouse Project.

### **Relevant Financial Policies**

California Community Redevelopment Law, Health and Safety Code Section 33000, et. seq., requires a redevelopment agency to adopt a redevelopment plan for each of its project areas. The plan enables the Agency to collect tax increment, which is a portion of the property taxes generated from a project area. Article XVI, Section 16(b) of the constitution stipulates that agencies may only collect tax increment revenues in order to pay debt. The County of Shasta charges an administrative fee for collecting the tax increment. Redevelopment law requires that twenty percent (20%) of the collected gross tax increment be placed in a separate account and expended on increasing, improving, and preserving the supply of affordable housing. In addition, either by law or agreement, the Agency is obligated to pass through a portion of the tax increment revenues to other taxing entities.

Assembly Bill X4-26 (ABX4-26) was passed in July 2009 as part of the 2009-10 State budget. Under this legislation, the Agency was required to make two payments totaling \$6,207,797 to the Supplemental Educational Revenue Augmentation Fund (SERAF) in fiscal years 2009-10 and 2010-11, \$5,147,929 and \$1,059,868, respectively. The California Redevelopment Association (CRA) filed a lawsuit in October 2009; however, in May 2010, the Sacramento Superior Court upheld the legality of ABX4-26, which CRA has subsequently appealed. The Court's ruling on the appeal is still pending.

## Major Initiatives

Activities within all project areas have been impacted by the SERAF payments, totaling \$6.2 million, in fiscal years 2009-10 and 2010-11. In addition, the Supreme Court's ruling relative to *California Redevelopment Association, et al. versus Ana Matosantos, et al* could negatively impact both short- and long-term projects should payments be required under the Voluntary Program. In accordance with the partial stay granted by the Supreme Court, the Agency has suspended all new redevelopment activity, including project planning, until such time as the Supreme Court's decision is rendered.

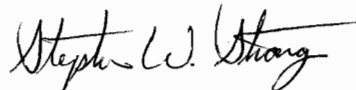
## Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Redding Redevelopment Agency for the comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the twenty-first consecutive year that the Agency has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to take this opportunity to thank the members of the Redding Redevelopment Agency's Board of Directors for their interest and support in the financial operations of the Agency. It is the responsible and progressive manner in which business is conducted that makes the Agency successful. I would also like to make a special recognition of City staff assigned to the Agency for their day-to-day involvement in the operations without whom this presentation would not be possible. In addition, I would like to extend a special thanks to Cathy Bullock, Senior Accountant, who was primarily responsible for the preparation of the financial report. It is the combined effort of all participants that resulted in the issuance of this document.

Respectfully submitted,



Stephen Strong  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Redding Redevelopment Agency  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



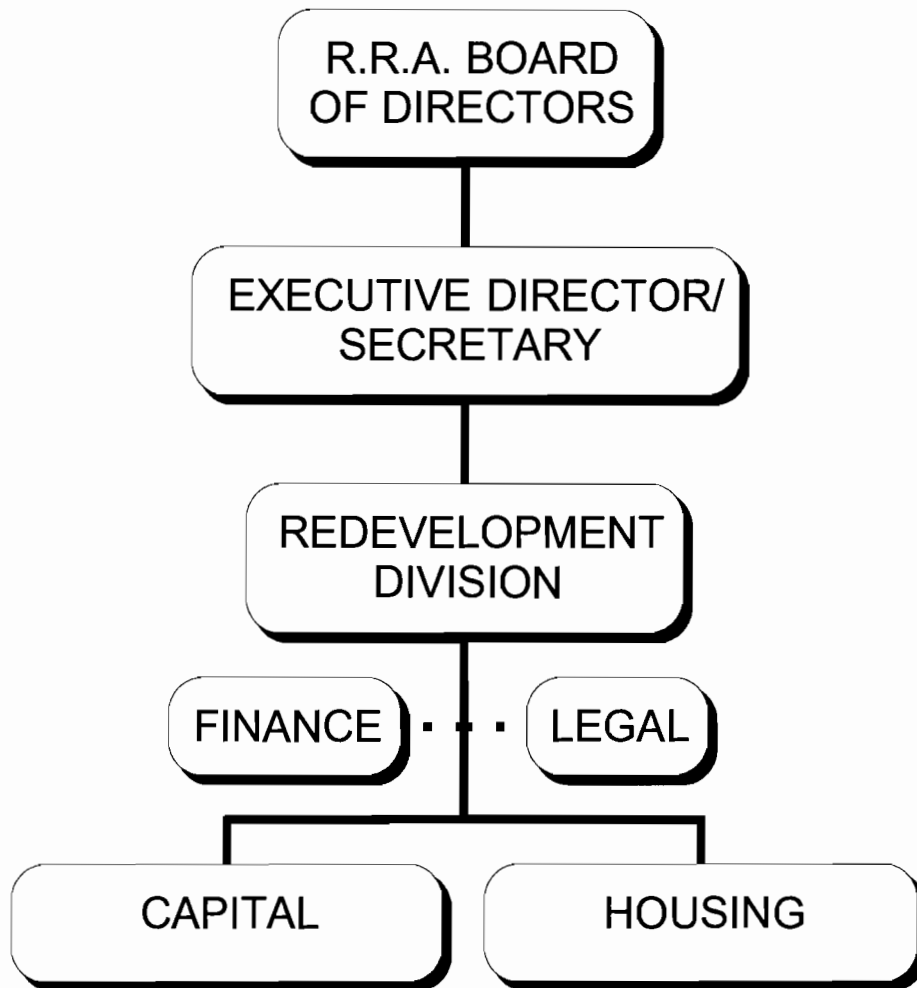
A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# Redding Redevelopment Agency Organizational Chart



## **REDDING REDEVELOPMENT AGENCY**

Listing of Elected and Appointed Officials  
June 30, 2011

### **Elected Officials**

Dick Dickerson, Chair Person  
Rick Bosetti, Vice Chair Person  
Patrick H. Jones, Director  
Missy McArthur, Director  
Francie L. Sullivan, Director

### **Appointed Officials**

Barry Tippin, Executive Director/Secretary/Assistant City Manager  
Rick Duvernay, City Attorney  
Stephen Strong, Director of Finance

## **FINANCIAL SECTION**

David H. Scott, CPA  
a professional corporation  
Keith E. Hunting, CPA  
Vivian R. Piche', CPA  
Paul J. Catanese, CPA, M.B.A.  
a professional corporation  
Larry Dahl, CPA

## REPORT OF INDEPENDENT AUDITORS

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Gerald R. Tadini, CPA

**Honorable Chairman and Members  
of the Board of Directors  
Redding Redevelopment Agency  
Redding, California**

We have audited the accompanying basic financial statements of the Redding Redevelopment Agency, a component unit of the City of Redding, California, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Redding Redevelopment Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Redding Redevelopment Agency as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2011, on our consideration of the Redding Redevelopment Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 16 through 25 and 70 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Redding Redevelopment Agency's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*D. H. Scott & Company, LLP*

Redding, California  
November 21, 2011

## Management's Discussion and Analysis

As management of the Redding Redevelopment Agency (the Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2011. The management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Agency's financial activity, (c) identify changes in the Agency's financial position (its ability to address future challenges), (d) identify any material deviations from the financial plan (approved budget), and (e) identify individual fund issues or concerns.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-9 of this report.

### Financial Highlights

- The assets of the Agency exceeded its liabilities at the close of the most recent fiscal year by \$9,303,038 (net assets). Of this amount, \$14,289,236 is a deficit in unrestricted net assets.
- The Agency's total net assets increased by \$3,956,444. Tax increment revenue was \$15,307,661 which was \$406,191 less than what was anticipated. Investment income was \$418,257.
- As of the close of the current fiscal year, the Agency's funds reported combined ending fund balances of \$55,900,957, an increase of \$1,181,043 in comparison with the prior year. The major component of this increase was \$6.9 million decrease in pass-through payments to other agencies.
- The Agency's total debt decreased by \$2,067,182 (4.4 percent) during the current fiscal year. The key factor in this decrease was principal payments made during the year.

### 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 comprise three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 how the Agency's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected tax increment).

The government-wide financial statements reflect that the Agency is principally supported by property taxes, capital grants and contributions, and investment income. The capital grants and contributions are

principally due to developers' contributions totaling \$293,668 for a street project and developers' contributions of \$1,204 for a storm drainage project. The governmental activities of the Agency include general government, public safety, public works, recreation and culture, and community development.

The government-wide financial statements can be found on pages 30-31 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 of the funds of the Agency are governmental funds.

**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 on 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 13 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 following major funds: Canby-Hilltop-Cypress Special Revenue, Market Street Special Revenue, SHASTECH Special Revenue, Canby-Hilltop-Cypress Debt Service, Market Street Capital Project, Canby-Hilltop-Cypress Capital Project, and SHASTECH Capital Project. Data from the other six governmental funds are combined into a single, aggregated presentation.

The Agency adopts a two-year appropriated budget with an annual review of the budget for all funds. Budgetary comparison schedules have been provided to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 34-40 of this report.

**Notes to the 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 financial statements can be found on pages 42-68 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which can be found on pages 71-73 of this report.

## Government-wide Financial Analysis

### Redding Redevelopment Agency

#### Net Assets

#### Governmental Activities

	2011	2010	Difference	% Change
Current and other assets	\$ 62,100,624	\$ 60,830,605	\$ 1,270,019	2.09%
Capital assets, net	947,799	960,622	(12,823)	-1.33%
Total assets	<u>63,048,423</u>	<u>61,791,227</u>	<u>1,257,196</u>	<u>2.03%</u>
Current liabilities	6,576,968	6,284,911	292,057	4.65%
Long-term liabilities	47,168,417	50,159,722	(2,991,305)	-5.96%
Total liabilities	<u>53,745,385</u>	<u>56,444,633</u>	<u>(2,699,248)</u>	<u>-4.78%</u>
Net Assets:				
Invested in capital assets, net of related debt	639,694	652,517	(12,823)	-1.97%
Restricted	22,952,580	21,232,294	1,720,286	8.10%
Unrestricted (deficit)	<u>(14,289,236)</u>	<u>(16,538,217)</u>	<u>2,248,981</u>	<u>-13.60%</u>
Total net assets	<u>\$ 9,303,038</u>	<u>\$ 5,346,594</u>	<u>\$ 3,956,444</u>	<u>74.00%</u>

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, assets exceeded liabilities by \$9,303,038 at the close of the most recent fiscal year.

By far the largest portion of the Agency's net assets represents resources that are subject to external restrictions on how they may be used. The Agency is required by redevelopment law to restrict 20 percent of the tax increment revenue for housing programs.

An additional portion of the Agency's net assets reflects its investment in capital assets (e.g., land and buildings) less any related debt used to acquire those assets that is still outstanding. Although the Agency's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remainder of net assets is the deficit of \$14,289,236.

At the end of the current fiscal year, the Agency is able to report a positive balance in investment in capital assets, net of related debt, and in restricted net assets. The Agency has a deficit in unrestricted net assets. The same situation held true for the prior fiscal year. The Agency has a deficit in unrestricted net assets due to the nature of redevelopment financing. The Redevelopment Agency issued bonds based on future tax increments to fund infrastructure projects. The infrastructure projects are transferred to the City of Redding; however, the debt remains with the Agency resulting in a deficit.

The Agency's net assets increased by \$3,956,444 during the current fiscal year. The investment in capital assets, net of related debt, decreased by \$12,823 (1.97 percent). The decrease is related to the transfer of right-of-way property to the City. The decrease in the deficit of \$2,248,981 (13.6 percent) is primarily attributable to a decrease of \$6,904,435 in pass-through expenses to other agencies. The public works projects of \$1.3 million included \$0.7 million for the development of Stillwater Industrial Park, \$0.1 million

on Old Oregon Trail widening and alignment, \$0.2 million on a sewer and storm drainage project and \$0.1 million on the widening of Buenaventura Boulevard. The community development costs of \$8.2 million included \$5.4 million in pass through payments, \$0.4 million on the widening of North Street in the City of Anderson, \$0.2 million for the Shasta County Courthouse relocation project and \$1.2 million in housing administration and assistance. Net assets restricted for housing programs increased by \$1,720,286 (8.1 percent). The housing program has encumbered funds to be spent on projects, but the expenditures have not taken place. Tax increment revenue and investment income for the housing program were \$3,042,409 and \$190,508, respectively.

**Governmental activities.** The increase in net assets of the Agency of \$3,956,444 is all related to governmental activities.

Due to the nature of redevelopment agencies, some assets that were purchased were not retained by the Agency, but were given to the City of Redding. These assets become an expense in the period they were purchased. Revenues exceed expenses in fiscal year 2010-11, but expenses exceeded revenues in 2009-10. The change in net assets went from a negative \$6,075,036 in fiscal year 2009-10 to a positive \$3,956,444 in 2010-11. The change in net assets was a 74 percent increase in the current year from the prior year. Total revenues decreased by \$2,991,397 while expenses decreased by \$13,022,877 in comparison to the prior year. The significant changes were as follows:

- Property tax increment revenue decreased by \$2,944,819 (16.1 percent) during the year. Tax increment revenue decreased in all of the project areas except the SHASTEAC Amended and Midtown project areas due to a decrease in property values. This is the second year for a decrease in tax increment revenue in the Canby-Hilltop-Cypress, Market Street, and Buckeye project areas and the first year for a decrease in the SHASTEAC Original project area since the inception of these areas.
- Investment income decreased by \$53,299 (11.3 percent) due to a decrease in interest rates.
- Capital grants and contributions increased by \$333 (0.11 percent). The majority of these grant revenues furnished resources for an infrastructure project.
- The net decrease in expenses is primarily related to a decrease of \$11,395,688 (58 percent) spent on community development and a decrease of \$1,395,430 (53 percent) spent on public works infrastructure projects. Pass-through expenses which are included in the community development category were \$5,442,055 for fiscal year 2010-11, a decrease of \$6,904,435 from fiscal year 2009-10.

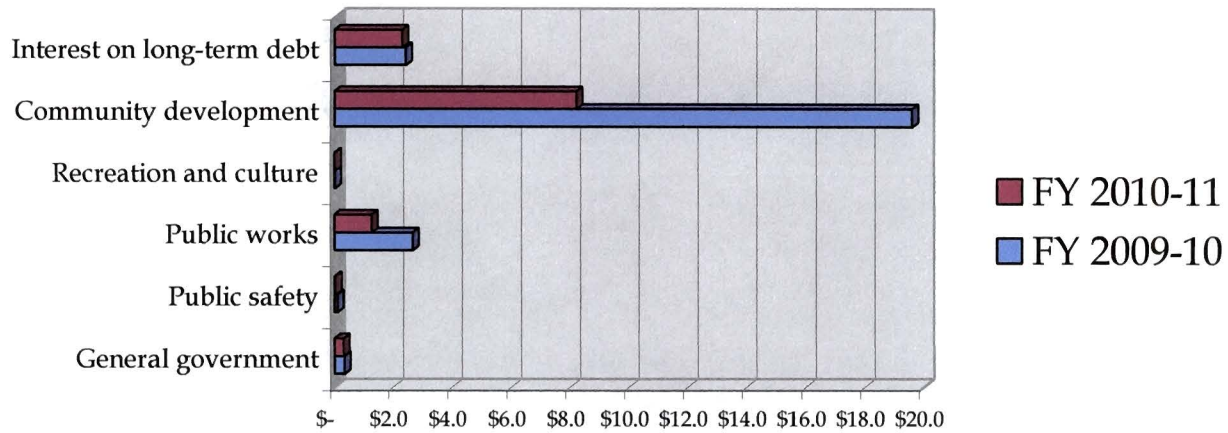
**Redding Redevelopment Agency**  
**Changes in Net Assets**

	<b>Governmental Activities</b>			
	<b>2011</b>	<b>2010</b>	<b>Difference</b>	<b>% Change</b>
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 47,350	\$ 40,962	\$ 6,388	15.59%
Capital grants and contributions	294,872	294,539	333	0.11%
General revenues:				
Tax increment	15,307,661	18,252,480	(2,944,819)	-16.13%
Interest	418,257	471,556	(53,299)	-11.30%
Total revenues	16,068,140	19,059,537	(2,991,397)	-15.70%
<b>Expenses:</b>				
General government	302,101	336,156	(34,055)	-10.13%
Public safety	22,442	94,762	(72,320)	-76.32%
Public works	1,258,655	2,654,085	(1,395,430)	-52.58%
Recreation and culture	17,192	20,659	(3,467)	-16.78%
Community development	8,211,177	19,606,865	(11,395,688)	-58.12%
Interest on long-term debt	2,300,129	2,422,046	(121,917)	-5.03%
Total expenses	12,111,696	25,134,573	(13,022,877)	-51.81%
Increase in net assets	3,956,444	(6,075,036)	10,031,480	-165.13%
Net assets, beginning of year	5,346,594	11,421,630	(6,075,036)	-53.19%
Net assets, ending	\$ 9,303,038	\$ 5,346,594	\$ 3,956,444	74.00%

The following graphs show an illustrative picture of revenues and expenditures for fiscal year 2010-11 as compared with fiscal year 2009-10.

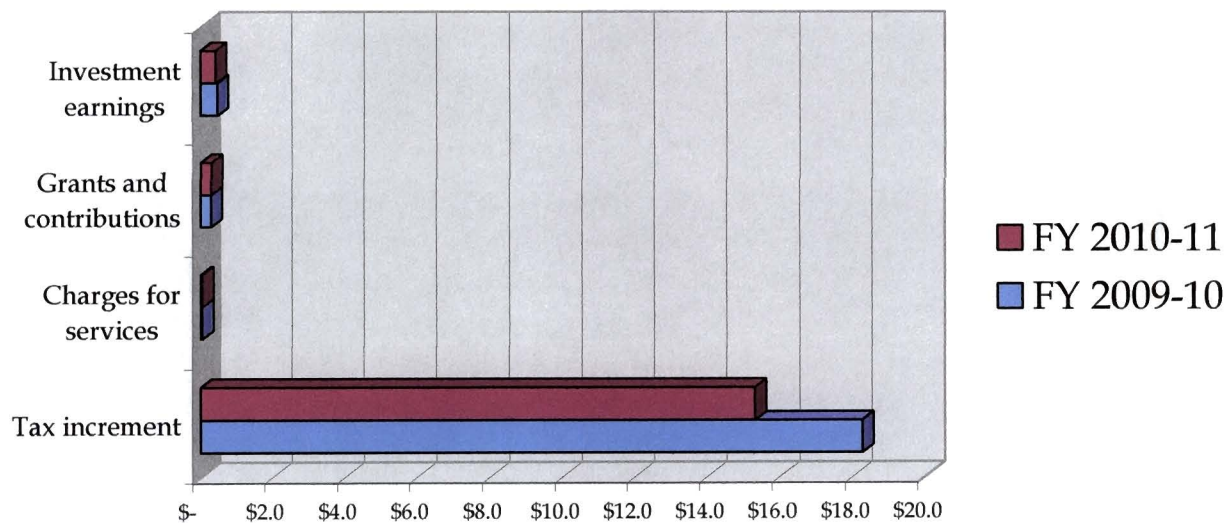
## Expenses by Program

(Amounts expressed in millions)



## Revenue by Source

(Amounts expressed in millions)



## 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.

**Government funds.** The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements.

As of the end of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$55.9 million, an increase of \$1.2 million from the prior year. The Agency's fund balance is made up of nonspendable and restricted fund balances. A detailed analysis of fund balance is listed on page 62 of this report. The nonspendable portion of fund balance, which is either not in spendable form or legally or contractually required to be maintained intact, is made up \$8,849 in prepaid health insurance. Restricted fund balance increased by \$1.2 million to a total of \$55.9 million. The restricted fund balance is comprised of the following: \$20.9 million for capital projects, \$7.1 million for debt service and \$27.9 million for housing projects.

Of the major funds, the Canby-Hilltop-Cypress (CHC) Capital Project Fund is the most significant. At the end of the current fiscal year, the fund balance was \$10.6 million. The net increase in fund balance by \$0.3 million is primarily related to a decrease in pass throughs. Although the fund had a net increase, tax increment revenue decreased by \$2.0 million. Per Article 33334.3 (i) of the California Community Redevelopment Law, the Agency elected to satisfy the housing set aside requirement for the Market Street Project Area of \$0.7 million by increasing the housing set aside in the CHC Special Revenue Fund by that same amount. Therefore, the tax increment revenue in the CHC Capital Project Fund was reduced by the \$0.7 million. Tax increment revenue also decreased due to lower valuation of properties in the project area. Nonspendable fund balance increased \$942 to a total of \$8,849 in prepaid health insurance premiums. The restricted fund balance increased by \$0.3 million to a total of \$10.6 million.

The fund balance of the CHC Special Revenue Fund increased by \$1.0 million to a total of \$19.1 million. The net increase is related to a decrease in administrative costs and housing assistance and an increase in tax increment revenue. This increase in tax increment revenue is related to satisfying the housing set aside requirement for the Market Street Project Area by increasing the housing set aside in the CHC Special Revenue Fund by \$0.7 million. Although the entire fund balance of \$19.1 million is restricted, \$10.5 million has been used to finance long-term loans for low income housing; therefore, these funds are not readily available for use in the near future.

The fund balance of the Market Street Special Revenue Fund decreased by \$43,025 to a total of \$6.5 million. No tax increment revenue was deposited in this fund since the CHC Project Area satisfied the housing set aside requirement for Market Street Project Area. All of the \$6.5 million is restricted, but \$2.8 million has been used to finance long-term loans for low income housing; therefore, these funds are not readily available for use in the near future.

The fund balance of the SHASTEC Special Revenue Fund increased by \$0.3 million to a total of \$2.1 million which is all restricted. The increase in fund balance is the result of not spending all the tax increment that was received in fiscal year 2010-11.

The restricted fund balance of the CHC Debt Service Fund decreased by \$0.1 million to a total fund balance of \$5.0 million. The net decrease in fund balance is primarily related to a transfer to CHC Capital Project Fund.

The Market Street Capital Project Fund’s restricted fund balance increased by \$0.8 million to a total fund balance of \$2.5 million. The net increase in fund balance is primarily related to an increase in tax increment revenue since the CHC Capital Project Fund satisfied the housing set aside requirement for the Market Street Project Area.

The SHASTECCapital Project Fund’s restricted fund balance decreased by \$1.2 million to a total fund balance of \$6.5 million. The net decrease in fund balance is primarily related to a decrease in tax increment revenue and a decrease in the transfer from the SHASTECCapital Project Fund.

**Fund Budgetary Highlights**

By law a redevelopment agency must set aside 20 percent of the tax increment revenue in a special revenue fund for low- and moderate-income housing. The remainder of the funds is first distributed to the debt service funds to cover current debt obligations and second to the capital project funds. The Canby-Hilltop-Cypress Capital Project Fund is by far the largest fund and serves in some ways as the Agency’s general fund.

The primary differences between the original budget and the final amended budget of the CHC Capital Project Fund are briefly summarized as follows:

- \$1,189,140 for a decrease in tax increment revenues. Shasta County’s estimate of the Agency’s tax increment revenue was less than anticipated during the original budget cycle.
- \$70,000 for a decrease in investment income revenue. Interest rates have continued to decrease.
- \$252,700 for an increase in repayment of a loan to Market Street Capital Project Fund.
- \$4,000 for an increase in property tax penalties.
- \$30,000 for an increase in administrative costs.
- \$617 for an increase in the State of California mandated Supplemental Educational Revenue Augmentation Fund payment.
- \$388,750 for an increase in costs related to the purchase of a public safety building.

**Capital Asset and Debt Administration**

*Capital assets.* The Agency’s investment in capital assets for its governmental-type activities as of June 30, 2011, amounted to \$1.0 million (net of accumulated depreciation), a decrease of \$12,823. This investment in capital assets includes land, buildings and equipment.

**Redding Redevelopment Agency  
Capital Assets (Net of Depreciation)**

	FYE 2011	FYE 2010
Land	\$ 947,799	\$ 960,622
Buildings	-	-
Equipment	-	-
Total	\$ 947,799	\$ 960,622

The depreciable assets are fully depreciated as of June 30, 2011. Additional information on the Agency's capital assets can be found in Note 7 on pages 53-54 of this report.

**Long-term debt.** At the end of the current fiscal year, the Agency had total bonded debt outstanding of \$45.0 million. All of this debt represents bonds secured solely by specified revenue sources (i.e., tax allocation bonds). The Agency's total bond debt decreased by \$2,067,182.

**Redding Redevelopment Agency  
Outstanding Debt  
Tax Allocation Bonds  
(Net of Discount/Premium and Unamortized Gain on Refunding)**

	FYE 2011	FYE 2010
Tax allocation bonds, net	\$ 44,958,356	\$ 47,025,538
Total	\$ 44,958,356	\$ 47,025,538

The Canby-Hilltop-Cypress (CHC) Redevelopment Project Tax Allocation Bonds, Series A and B and CHC Redevelopment Project Area Tax Allocation Refunding Bonds, Series 2003, have an "A" rating with Standard and Poor's and Fitch's. The Market Street Redevelopment Project Area Tax Allocation Bonds, Series 2003, have been rated a "BBB+" by Standard and Poor's and an "A-" by Fitch's. The SHASTECC Project Area Tax Allocation Bonds, Series 2006, have been rated "A-" by Standard and Poor's and Fitch's.

Additional information on the Agency's long-term debt can be found in Note 11 on pages 59-61 of this report.

**Economic Factors and Next Year's Budget**

- The City of Redding has experienced an increase in population of 11.6 percent from 2000 to 2011, while the unemployment rate has increased from 6.9 percent in 2002 to 15.0 percent in 2011.
- Inflationary trends in the region other than housing compare favorably to national indices.
- The Agency's property assessed valuation for all project areas decreased \$195.9 million (8.08 percent) in fiscal year 2010-11.
- The Canby-Hilltop-Cypress Project Area has been a major success as a redevelopment project area and is one of the City's prime commercial areas for new development. Assessed valuation has increased \$793.4 million (605.8 percent) over the base year in the original area and \$130.1 million (268.1 percent) over the base year in the amended area.
- Projections from the County of Shasta show a decrease in assessed valuation for the Agency as a whole of \$176.0 million (7.9 percent) in fiscal year 2011-12. The assessed valuation for the Canby-Hilltop-Cypress, Market Street, Midtown, SHASTECC and Buckeye project areas have all decreased in fiscal year 2011-12.

- The real estate market continues to remain in flux. The Shasta County Assessor's Office has, however, taken a proactive approach since the onset of the decline in real estate market and the associated property values. As of January 1, 2011, Shasta County has 26,257 properties, 12,569 which are located in the City of Redding, valued under Proposition 8 which passed in November 1978 to amend Proposition 13 to reflect declines in property value. This action has resulted in the total number of appeals filed on a county-wide basis in 2010-11 (148) being reduced by 41.5% from 2009-10 (253). These appeals represent 0.13% of Shasta County's total assessments, as compared to 2009-10 which equated to 0.23%. Additionally, the number of assessment hearings declined from 24 in 2009-10 to 6 in 2010-11, a 75% reduction.
- Matters currently under review by the Shasta County Assessor's Office which could result in property value reductions in the project areas include: (1) Charter Communications, a major taxpayer in the Market Street Redevelopment Project Area, has appeals pending relative to both its unsecured business and possessory interest values. Currently, a statewide audit is being conducted on Charter Communications' assets; and (2) pending decision on an Orange County Court Case relative to Fractional Aircraft Interest which could potentially impact the SHASTEK Redevelopment Project Area.
- Per the California Assembly Bill 27 the State established a *Voluntary Alternative Redevelopment Program* whereby the Agency would be required to make payments of approximately \$5.9 million in fiscal year 2011-12 in order to stay in existence. Currently the California State Supreme Court is reviewing a petition from the California Redevelopment Association and the League of California Cities that questions the constitutionality of the AB1X 26 and 27. The California Supreme Court has expressed its intentions to make a ruling prior to the first payment date of January 15, 2012.

All of these factors were considered in preparing the Agency's budget for fiscal year 2011-12.

During the fiscal year, restricted fund balance increased to \$55.9 million. The Agency has appropriated \$39.1 million for spending in the 2011-12 fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of the Redding Redevelopment 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 Director of Finance at the City of Redding, 777 Cypress Avenue, Redding, CA 96001.

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

# Redding Redevelopment Agency

## Statement of Net Assets

June 30, 2011

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 29,383,113
Receivables:	
Interest	1,075,259
Intergovernmental	115,482
Taxes	397,665
Other	2,745
Prepaid items	8,849
Deposits	806,465
Assets held for resale	4,665,331
Restricted assets:	
Cash and investments	9,848,655
Interest receivable	27,148
Taxes receivable	981,446
Total current assets	<u>47,312,158</u>
Noncurrent assets:	
Other long-term receivables	235,817
Notes receivable, net	13,807,980
Financing costs, net	744,669
Capital assets:	
Land	947,799
Other capital assets, net of depreciation	-
Total noncurrent assets	<u>15,736,265</u>
Total assets	<u>63,048,423</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	395,705
Intergovernmental payable, due within one year	2,980,594
Accrued interest payable	1,038,486
Deposits	5,000
Long term debt, due within one year	2,157,183
Total current liabilities	<u>6,576,968</u>
Noncurrent liabilities:	
Unearned revenue	235,817
Intergovernmental payable, due in more than one year	4,098,972
Arbitrage payable, due in more than one year	32,455
Long-term debt, due in more than one year	42,801,173
Total noncurrent liabilities:	<u>47,168,417</u>
Total liabilities	<u>53,745,385</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	639,694
Restricted for:	
Housing	22,952,580
Unrestricted (deficit)	(14,289,236)
Total net assets	<u>\$ 9,303,038</u>

See accompanying Notes to Basic Financial Statements.

**Redding Redevelopment Agency**  
**Statement of Activities and Changes in Net Assets**  
**For the year ended June 30, 2011**

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Capital Grants and Contributions	Total		
<b>Primary government:</b>						
<b>Governmental activities:</b>						
General government	\$ 302,101	\$ 43,227	\$ -	\$ 43,227	\$ (258,874)	
Public safety	22,442	-	-	-	(22,442)	
Public works	1,258,655	3,007	294,872	297,879	(960,776)	
Recreation and culture	17,192	-	-	-	(17,192)	
Community development	8,211,177	1,116	-	1,116	(8,210,061)	
Interest and fiscal charges	2,300,129	-	-	-	(2,300,129)	
<b>Total government</b>	<b>\$ 12,111,696</b>	<b>\$ 47,350</b>	<b>\$ 294,872</b>	<b>\$ 342,222</b>	<b>(11,769,474)</b>	

**General revenues:**

Property taxes	15,307,661
Investment earnings	418,257
<b>Total general revenue</b>	<b>15,725,918</b>
<b>Change in net assets</b>	<b>3,956,444</b>
Net assets - beginning of year	5,346,594
<b>Net assets - end of year</b>	<b>\$ 9,303,038</b>

See accompanying Notes to Basic Financial Statements.

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## **FUND FINANCIAL STATEMENTS**

# Redding Redevelopment Agency

## Balance Sheet

### Governmental Funds

June 30, 2011

	Canby-Hilltop- Cypress Special Revenue	Market Street Special Revenue	SHASTECC Special Revenue	Canby-Hilltop- Cypress Debt Service
<b>ASSETS</b>				
Cash and investments	\$ 5,639,436	\$ 1,979,046	\$ 3,573,360	\$ -
Interest receivable	850,046	194,002	4,535	-
Intergovernmental receivable	23,104	-	-	-
Taxes receivable	205,570	-	44,597	-
Other receivable	1,624	1,121	-	-
Prepaid items	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	4,891,836
Interest receivable	-	-	-	2,638
Taxes receivable	-	-	-	558,352
Interfund receivable	-	-	-	-
Deposits	-	-	-	-
Assets held for resale	2,953,858	1,711,473	-	-
Advances to other funds	-	-	-	-
Notes receivable, net	10,483,000	2,810,163	39,817	-
<b>Total assets</b>	<b>\$ 20,156,638</b>	<b>\$ 6,695,805</b>	<b>\$ 3,662,309</b>	<b>\$ 5,452,826</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 253	\$ 419	\$ -	\$ -
Deferred revenue	1,086,446	215,510	39,907	561,129
Interfund payable	-	-	-	-
Deposits	-	5,000	-	-
Advances payable	-	-	-	-
Intergovernmental payable	7,937	483	1,539,508	-
<b>Total liabilities</b>	<b>1,094,636</b>	<b>221,412</b>	<b>1,579,415</b>	<b>561,129</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	19,062,002	6,474,393	2,082,894	4,891,697
<b>Total fund balances</b>	<b>19,062,002</b>	<b>6,474,393</b>	<b>2,082,894</b>	<b>4,891,697</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,156,638</b>	<b>\$ 6,695,805</b>	<b>\$ 3,662,309</b>	<b>\$ 5,452,826</b>

See accompanying Notes to Basic Financial Statements.

Market Street Capital Project	Canby-Hilltop-Cypress Capital Project	SHASTEC Capital Project	Other Governmental Funds	Total Governmental Funds
\$ 3,516,297	\$ 8,803,258	\$ 3,990,528	\$ 1,881,188	\$ 29,383,113
4,544	13,260	4,136	4,736	1,075,259
-	92,378	-	-	115,482
87,913	4,686	1,531	289,185	633,482
-	-	-	-	2,745
-	8,849	-	-	8,849
-	-	2,868,662	2,088,157	9,848,655
-	-	4,776	19,734	27,148
-	-	-	423,094	981,446
-	1,311,628	-	-	1,311,628
690,000	116,465	-	-	806,465
-	-	-	-	4,665,331
-	370,512	-	-	370,512
325,000	-	-	150,000	13,807,980
<u>\$ 4,623,754</u>	<u>\$ 10,721,036</u>	<u>\$ 6,869,633</u>	<u>\$ 4,856,094</u>	<u>\$ 63,038,095</u>
\$ 22,879	\$ 5,624	\$ 360,500	\$ 6,030	\$ 395,705
405,101	-	-	675,475	2,983,568
1,311,628	-	-	-	1,311,628
-	-	-	-	5,000
370,512	-	-	-	370,512
2,502	121,185	31,995	367,115	2,070,725
<u>2,112,622</u>	<u>126,809</u>	<u>392,495</u>	<u>1,048,620</u>	<u>7,137,138</u>
-	8,849	-	-	8,849
2,511,132	10,585,378	6,477,138	3,807,474	55,892,108
2,511,132	10,594,227	6,477,138	3,807,474	55,900,957
<u>\$ 4,623,754</u>	<u>\$ 10,721,036</u>	<u>\$ 6,869,633</u>	<u>\$ 4,856,094</u>	<u>\$ 63,038,095</u>

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**Redding Redevelopment Agency**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Government-Wide Statement of Net Assets**  
**June 30, 2011**

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**Total Fund Balances - Total Governmental Funds** \$ 55,900,957

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities were not current financial resources and, therefore, were not reported in the governmental funds. 2,409,664

Accumulated depreciation has not been included in the governmental funds. (1,461,865)

Revenues which are deferred in the governmental funds because they are not currently available are recognized as revenue in the Statement of Activities. 2,747,751

Governmental funds report bond issuance costs as expenditures. In the Statement of Activities, however, the cost of issuance is amortized over the life of the bond. 744,669

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds. (1,038,486)

Arbitrage payable on long-term debt did not require current financial resources. Therefore, arbitrage payable was not reported as a liability in the governmental funds. (32,455)

Long-term liabilities were not due and payable in the current period and, therefore, they were not reported in the governmental funds. The detail of the long-term liabilities is as follows:

Tax allocation bonds payable, due within one year (2,190,000)

Bond discount/premium, due within one year 6,472

Unamortized deferred loss on defeased debt, due within one year 26,345

Tax allocation bonds payable, due in more than one year (43,170,000)

Bond discount/premium, due in more than one year 74,856

Unamortized deferred loss on defeased debt, due in more than one year 293,971

Intergovernmental payables, due within one year (909,869)

Intergovernmental payables, due in more than one year (4,098,972)

**Net Assets (Deficit) of Governmental Activities** \$ 9,303,038

See accompanying Notes to Basic Financial Statements.

**Redding Redevelopment Agency**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2011**

	Canby-Hilltop- Cypress Special Revenue	Market Street Special Revenue	SHASTEC Special Revenue	Canby-Hilltop- Cypress Debt Service
<b>REVENUES:</b>				
Tax increment	\$ 2,531,857	\$ -	\$ 455,030	\$ 2,659,607
Other use of money and property	275	-	-	-
Investment revenue	96,504	24,414	16,513	10,711
Other revenue	842	-	-	-
<b>Total revenues</b>	<b>2,629,478</b>	<b>24,414</b>	<b>471,543</b>	<b>2,670,318</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	573,745	25,054	13,004	145,262
Professional services	-	-	-	-
Housing assistance	288,743	42,385	168,025	-
Pass throughs	-	-	-	-
Community development	-	-	-	-
Intergovernmental expenditures	-	-	-	-
Debt service:				
Principal retirement	405,000	-	-	1,215,000
Interest and fiscal charges	368,645	-	-	1,001,018
<b>Total expenditures</b>	<b>1,636,133</b>	<b>67,439</b>	<b>181,029</b>	<b>2,361,280</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>993,345</b>	<b>(43,025)</b>	<b>290,514</b>	<b>309,038</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(394,988)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(394,988)</b>
<b>Net change in fund balances</b>	<b>993,345</b>	<b>(43,025)</b>	<b>290,514</b>	<b>(85,950)</b>
<b>FUND BALANCES:</b>				
Beginning of year	18,068,657	6,517,418	1,792,380	4,977,647
End of year	\$ 19,062,002	\$ 6,474,393	\$ 2,082,894	\$ 4,891,697

See accompanying Notes to Basic Financial Statements.

Market Street Capital Project	Canby-Hilltop-Cypress Capital Project	SHASTEC Capital Project	Other Governmental Funds	Total Governmental Funds
\$ 3,234,807	\$ 3,738,800	\$ 689,213	\$ 2,131,625	\$ 15,440,939
1,300	400	-	-	1,975
37,498	114,531	50,133	22,710	373,014
11,279	317,405	8,950	1,772	340,248
<u>3,284,884</u>	<u>4,171,136</u>	<u>748,296</u>	<u>2,156,107</u>	<u>16,156,176</u>
155,543	619,338	24,046	131,592	1,687,584
24,850	95,182	3,958	-	123,990
-	-	-	44,483	543,636
1,688,535	2,973,642	653,282	126,596	5,442,055
344,578	11,403	-	53,419	409,400
309,130	22,442	1,170,835	73,207	1,575,614
-	550,000	87,668	523,367	2,781,035
6,978	-	139,132	896,046	2,411,819
<u>2,529,614</u>	<u>4,272,007</u>	<u>2,078,921</u>	<u>1,848,710</u>	<u>14,975,133</u>
<u>755,270</u>	<u>(100,871)</u>	<u>(1,330,625)</u>	<u>307,397</u>	<u>1,181,043</u>
38,204	394,988	155,551	-	588,743
-	-	-	(193,755)	(588,743)
<u>38,204</u>	<u>394,988</u>	<u>155,551</u>	<u>(193,755)</u>	<u>-</u>
<u>793,474</u>	<u>294,117</u>	<u>(1,175,074)</u>	<u>113,642</u>	<u>1,181,043</u>
<u>1,717,658</u>	<u>10,300,110</u>	<u>7,652,212</u>	<u>3,693,832</u>	<u>54,719,914</u>
<u>\$ 2,511,132</u>	<u>\$ 10,594,227</u>	<u>\$ 6,477,138</u>	<u>\$ 3,807,474</u>	<u>\$ 55,900,957</u>

# Redding Redevelopment Agency

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds \$ 1,181,043

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the net book value of the assets which were disposed. (12,823)

Bond proceeds provided current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal was an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Assets.

- This amount represents long-term bond debt repayments. 2,100,000
- This amount represents amortization of bond premium. 3,779
- This amount represents amortization of bond discounts. (10,252)
- This amount represents amortization of deferred loss on defeased debt. (26,345)
- This amount represents long-term notes payable debt repayments. 681,035

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the governmental funds. (82,411)

Some expenses reported in the Statement of Activities, that accrue to the benefit of the Agency, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 53,451

Governmental funds report bond issuance costs as expenditures. In the Statement of Net Assets, however, the cost of issuance is amortized over the life of the bond.  
 This amount represents the annual amortization of the cost of issuance. (62,624)

Interest expense on long-term debt is reported in the Statement of Activities, but it does not require the use of current financial resources. Therefore, interest expense was not reported as an expenditure in the governmental funds. The following amount represents the change in accrued interest from the prior year. 131,591

**Change in Net Assets of Governmental Activities \$ 3,956,444**

See accompanying Notes to Basic Financial Statements.

**NOTES TO BASIC FINANCIAL STATEMENTS**

# Redding Community Redevelopment Agency

## Notes to Basic Financial Statements

For the year ended June 30, 2003

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Redding Redevelopment Agency's (Agency) accounting policies are described below.

#### A. *Financial Reporting Entity*

As required by generally accepted accounting principles, these financial statements represent all the funds of the Agency. The Agency is a component unit of the City of Redding (City) as the City Council members, in separate session, serves as the governing board of the Agency. Component units are legally separate entities for which the primary government is financially accountable. There are no separate legal entities that are a part of the Agency's reporting entity.

#### B. *Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on the Agency activities as a whole. 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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### C. *Basis of Accounting and Measurement Focus*

The 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 imposed by the provider have been met.

Governmental fund financial statements are reported using the "*current financial resources*" measurement focus and the modified accrual basis of accounting. 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. The Agency considers property taxes as available if they are collected within 60 days after year-end. The Agency uses a 90-day availability period for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*C. Basis of Accounting and Measurement Focus, Continued*

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, certain federal and state grants, interest revenue, and charges for services.

The Agency reports the following major governmental funds:

- The Canby-Hilltop-Cypress Special Revenue Fund accounts for housing set aside required under redevelopment law.
- The Market Street Special Revenue Fund accounts for housing set aside required under redevelopment law.
- The SHASTECC Special Revenue Fund accounts for housing set aside required under redevelopment law.
- The Canby-Hilltop-Cypress Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the Canby-Hilltop-Cypress Project Area.
- The Market Street Capital Project Fund accounts for all the projects in the Market Street Project Area.
- The Canby-Hilltop-Cypress Capital Project Fund accounts for all the projects in the Canby-Hilltop-Cypress Project Area.
- The SHASTECC Capital Project Fund accounts for all the projects in the SHASTECC Project Area.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The Agency reports deferred revenue on its fund balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Agency before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Agency has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*D. Assets, Liabilities, and Net Assets or Equity*

Cash and Investments

Cash deposits are stated at cost, which approximates fair value. Investments are stated at fair value in accordance with GASB Statement Number 31.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. When purchased, capital assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statements. The valuation for general capital assets is based on historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; equipment, 2 to 15 years.

Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by Agency legislation or external restrictions by other governments, creditors or grantors.

Interfund Transactions

Transactions to allocate resources from one fund to another fund that are not contingent on the incurrence of specific expenditures in the receiving fund are recorded as transfers in and out.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*E. New Pronouncements*

In 2011, the Agency adopted a new accounting standard in order to conform to the following Governmental Accounting Standards Board Statement (GASB):

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* - this statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**2. CASH AND INVESTMENTS**

The Agency maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the Agency invests to enhance interest earnings. The pooled interest earned is allocated to the funds quarterly, based on average daily cash and investment balances in these funds.

*A. Cash Deposits*

On June 30, 2011, the carrying amount and bank balance of the Agency's deposits were \$432. The total amount was collateralized or insured with securities held by the pledging financial institutions in the Agency's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Agency's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Agency's name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the Agency's cash deposits. California law also allows institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the Agency's total cash deposits. The Agency may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The Agency, however, has not waived the collateralization requirements.

The Agency follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on a quarterly basis to the various funds based on average daily cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**2. CASH AND INVESTMENTS, Continued**

**B. Investments**

The Agency reports its investments in accordance with GASB Statement Number 31. This standard requires that the Agency's investments be reported at fair value with realized and unrealized gains or losses reported in the statement of revenues, expenditures and changes in fund balance

The Agency invests funds in the State Treasurer's Pooled Money Investment Account (PMIA) through the Local Agency Investment Fund (LAIF), a voluntary program created by statute in 1977. The PMIA has regulatory oversight from the Pooled Money Investment Board and an in-house Investment Committee.

LAIF has oversight by the Local Agency Investment Advisory Board. The fair value of the Agency's position in the pool is materially equivalent to the value of pool shares.

In accordance with authorized investment laws, LAIF invests in various structured notes and mortgage-backed securities, such as collateralized mortgage obligations. As of June 30, 2011, 5.01% of LAIF's investment portfolio was invested in structured notes and other asset-backed securities. The Agency valued its investments in LAIF as of June 30, 2011, by multiplying its account balance with LAIF by a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate fair value by total aggregate amortized cost resulting in a factor of 1.001576470.

**C. Summary of Cash and Investments**

As of June 30, 2011, the Agency had the following cash and investments:

	Fair Value	Investment Maturity in Year Less Than One Year
	<u>          </u>	<u>          </u>
<b>Cash and Investments:</b>		
<i>Deposits:</i>		
Deposit	\$ 432	\$ 432
Total deposits	<u>432</u>	<u>432</u>
<i>Investments:</i>		
Local Agency Investment Funds	29,382,681	29,382,681
Total investments	<u>29,382,681</u>	<u>29,382,681</u>
<b>Total Cash and Investments</b>	<u><u>\$ 29,383,113</u></u>	<u><u>\$ 29,383,113</u></u>
<b>Restricted Cash and Investments:</b>		
<i>Investments:</i>		
Certificate of Deposit	\$ 3,077	\$ 3,077
Mutual Fund	81,195	81,195
Local Agency Investment Funds	8,827,873	8,827,873
U.S. Government Securities	<u>936,510</u>	<u>936,510</u>
<b>Total Restricted Cash and Investments</b>	<u><u>\$ 9,848,655</u></u>	<u><u>\$ 9,848,655</u></u>

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**2. CASH AND INVESTMENTS, Continued**

Restricted Cash and Investments - Certain proceeds of the Agency's bonds, as well as certain resources set aside for their repayment are restricted assets and are included in the cash and investments on the balance sheet. The bond amounts are maintained in a separate bank account and their use is limited by applicable bond covenants. A portion of the Agency's investment in LAIF has been restricted for future debt service payments. Following is a breakdown in the amount and description of restricted cash and investments:

Bond reserve accounts restricted for potential deficiencies in debt service payments	\$	3,821,201
Investments restricted for future debt service payments		3,158,792
Bond acquisition proceeds restricted for capital projects		2,868,662
Total	\$	<u>9,848,655</u>

**Risk Disclosures**

Interest Rate Risk - In accordance with its investment policy, the Agency manages its exposure to declines in fair values by limiting the average maturity of its investment portfolio to less than one year, with 97% of investments being available on demand (LAIF).

Credit Risk - The California Government Code and the investment policy of the Agency authorize the Agency to invest in obligations, participations, or other instruments of the U.S. Government or its agencies, state and municipal bonds, commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by Standard & Poor's Corporation or Moody's Investor Service, Inc., bankers' acceptances, repurchase agreements, medium-term notes of maximum five-year maturity with a rating category of A or its equivalent or better by a nationally recognized rating agency, and LAIF. Reverse repurchase agreements may be made only when prior approval of the Board of Directors has been given. Investments in LAIF are not rated as LAIF is a State sponsored investment pool. As of June 30, 2011, the Federal Home Loan Bank securities were rated Aaa/AAA by Moody's and Standard & Poor's respectively.

Concentration of Credit Risk - The Agency has approximately 97% of its cash invested with LAIF. Concentration risk disclosures are not required for investment positions in external investment pools.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Agency's investments in securities are held in the name of the Agency. The Agency's custodial agreement policy prohibits counterparties holding securities not in the Agency's name.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**3. INTERGOVERNMENTAL RECEIVABLES**

Intergovernmental receivables as of June 30, 2011, were comprised of the following:

Special Revenue Funds:	
City of Redding - Prepaid rent	\$ 23,104
Capital Project Funds:	
City of Redding - Prepaid rent	92,378
<b>Total</b>	<b>\$ 115,482</b>

**4. INTERFUND TRANSFERS**

Transfers for the period ended June 30, 2011, were as follows:

	<u>Transfers Out</u>		
	<u>Debt Service Funds</u>		<u>Total</u>
	<u>Canby-Hilltop Cypress</u>	<u>Non-major Governmental Funds</u>	
<u>Transfers In</u>			
Capital Project Funds:			
Market Street		\$ 38,204	\$ 38,204
Canby-Hilltop-Cypress Project	394,988	-	394,988
SHASTECC Project	-	155,551	155,551
<b>Total</b>	<b>\$ 394,988</b>	<b>\$ 193,755</b>	<b>\$ 588,743</b>

In the Market Street Debt Service Fund, Canby-Hilltop-Cypress Debt Service Fund and SHASTECC Debt Service Fund revenue in excess of the debt service requirements was transferred to the capital projects funds.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**5. NOTES RECEIVABLE**

Notes receivable activity for the year ended June 30, 2011, was as follows:

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
5%, 1% , and 0% Rehab Loans	\$ 289,688	\$ -	\$ (10,424)	\$ 279,264
5% Rehab Loans	239,309	38,876	-	278,185
DAP Loans	3,710,983	231,706	(93,241)	3,849,448
Shasta Housing Development Corporation	189,750	-	-	189,750
Northern Valley Catholic Social Service Due 2055	1,121,906	-	-	1,121,906
Northern Valley Catholic Social Service Due 2039	250,000	-	-	250,000
Christian Church Home of North California, Inc.	1,863,887	-	-	1,863,887
Northern Valley Catholic Social Service Due 2022	115,000	-	(115,000)	-
Redding Shadowbrook Limited	236,000	-	-	236,000
Senior Affordable Housing Corporation	275,000	-	-	275,000
Mercy Oaks Villages, Inc.	500,000	-	-	500,000
Linden Housing L.P.	18,800	-	-	18,800
Community Revitalization and Development Corp.	59,029	-	-	59,029
Community Revitalization and Development Corp.	59,030	-	-	59,030
NVCSS Saint Clare Court, Inc. Due 2064	800,000	-	-	800,000
K2 Land and Investment LLC-441 Buckeye Terrace	285,000	-	-	285,000
Community Revitalization and Development Corp.	252,114	-	-	252,114
Mercer Development LP	476,000	-	-	476,000
K2 Land and Investment LLC-931 Parkview Avenue	210,000	-	(3,600)	206,400
K2 Land and Investment LLC-2550 Lanning Avenue	79,744	-	-	79,744
K2 Land and Investment LLC-2550 Lanning Avenue	13,865	645,653	-	659,518
K2 Land and Investment LLC-475 Buckeye Terrace	120,000	-	-	120,000
Community Revitalization and Development Corp.	406,399	35,330	(5,130)	436,599
Redding East Street Associates	359,149	768,351	-	1,127,500
Riverfront Playhouse	325,000	-	-	325,000
FaithWORKS-2810 West Street	-	59,806	-	59,806
<b>Total</b>	<u>\$ 12,255,653</u>	<u>\$ 1,779,722</u>	<u>\$ (227,395)</u>	<u>\$ 13,807,980</u>

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**5. NOTES RECEIVABLE, Continued**

Notes receivable as of June 30, 2011, consisted of the following:

One 5%, two 1%, and three 0% notes receivable, payable in monthly installments of \$879 including interest. The notes, due through March 2036, are secured by residential real property.	\$ 279,264
Five 5% notes, five 3%, and three 1% notes with principal and accrued interest due upon property transfer or sale, upon death of owner, or upon change of use of the property. The notes are secured by residential real property.	278,185
One hundred and nine notes receivable with principal and accrued interest due upon property transfer or sale, upon death of owner, or upon change of use of the property. The interest is calculated at 3% or as a percentage of the loan to the original purchase price of the property. The notes are secured by residential real property.	3,849,448
3% note receivable from Shasta Housing Development Corporation with interest and principal due August 2034. The note is secured by residential real property.	189,750
Note receivable from Northern Valley Catholic Social Service due January 2055. The note bears interest at 1% and is secured by real property. Payments are due only when there are residual receipts from the project and/or at maturity.	1,121,906
Note receivable from Northern Valley Catholic Social Service due September 2039. The note bears interest at 3% and is secured by real property. Payments are due only when there are residual receipts from the project and/or at maturity.	250,000
Note receivable from Christian Church Homes of Northern California, Inc. due February 2058. The note, which is secured by real property, bears interest at 3%. Payments are due only when there are residual receipts from the project and/or at maturity.	1,863,887
Note receivable from Redding Shadowbrook Limited due July 2046. The note, which is secured by real property, bears interest at 1%. Payments are due only when there are residual receipts from the project and/or at maturity, except all payments shall be deferred until July 2011.	236,000
Note receivable from Senior Affordable Housing Corporation No. 4 due January 2059. The note, which is secured by real property, bears interest at 1%. Payments are due only when there are residual receipts from the project and/or at maturity.	275,000
Note receivable from Mercy Oaks Village, Inc. due December 2059. The note which is secured by real property bears interest at 1%. Payments are due only when there are residual receipts from the project and/or maturity.	500,000

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**5. NOTES RECEIVABLE, Continued**

Notes receivable as of June 30, 2011, consisted of the following (continued):

Note receivable from Linden Housing, L.P. due December 2060. The note is secured by real property and bears interest at 0%. Payments are due only when there are residual receipts from the project and/or at maturity except that all payments are deferred until December 2025.	\$ 18,800
Note receivable from Community Revitalization and Development Corporation for the acquisition of property. The note is secured by real property and bears interest at 0%. Payments are deferred until the title to the property is transferred, the property is rented, or the loan is refinanced.	59,029
Note receivable from Community Revitalization and Development Corporation for the acquisition of property. The note is secured by real property and bears interest at 0%. Payments are deferred until the title to the property is transferred, the property is rented, or the loan is refinanced.	59,030
Note receivable from NVCSS Saint Clare Court, Inc. due February 2064. The note bears interest at 1% and is secured by real property. Payments are due only when there are residual receipts from the project and/or at maturity.	800,000
Note receivable from K2 Land and Investment LLC for the acquisition of property. The note is secured by real property and bears interest at 1%. Payments are deferred for two years. Thereafter, monthly payments of \$2,517 are required with the net due on May 26, 2041.	285,000
Note receivable from Community Revitalization and Development Corporation for the acquisition and rehabilitation of property. The note is secured by real property and bears interest at 1%. Payments are deferred for 28 years. Monthly payments of \$1,097.07 shall begin on November 25, 2036, and continue until November 25, 2056, at which time the note is to be paid in full.	252,114
Note receivable from Mercer Development, LP. The note is secured by real property and bears interest at 2%. Monthly payments are to commence 120 days after the Certificate of Occupancy is issued ranging from \$1,133 - \$1,400. The note is due and payable 30 years from the issuance of the Certificate of Occupancy.	476,000
Note receivable from K2 Land and Investment LLC for construction of two affordable rental units. The note is secured by real property and bears interest at 0%. Monthly payments of \$400 commenced in October 2010. The note is due and payable on October 2040.	206,400

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**5. NOTES RECEIVABLE, Continued**

Notes receivable as of June 30, 2011, consisted of the following (continued):

Note receivable from K2 Land and Investment LLC. The note is secured by real property and bears interest at 0%. The note is due and payable on February 2015.	\$ 79,744
Note receivable from K2 Land and Investment LLC. The note is secured by real property and bears interest at .5% for 25 years and 0% thereafter. Monthly payments are deferred for the first 25 years. For years 26 - 30 the monthly payments are \$425. For years 31 - 40 the payments are \$2,920. The note is due and payable on February 2050.	659,518
Note receivable from K2 Land and Investment LLC. The note is secured by real property and bears interest at .5% for 25 years and 0% thereafter. Monthly payments are deferred for the first 24 years. Annual installments of \$9,212 - \$13,000 are due for years 25 - 29 with the final payment due February 2040.	120,000
Note receivable from Community Revitalization and Development Corporation. The note is secured by real property and bears interest at 0%. Monthly payments are deferred for the first 2 1/2 years. Annual installments of \$855 - \$1,010 are due thereafter with the final payment due September 2040.	436,599
Note receivable from Redding East Street Associates. The note is secured by real property and bears interest at 1%. Payments are due only when there are residual receipts from the project and/or maturity except that all payments are deferred until February 2065.	1,127,500
Note receivable from Riverfront Playhouse for the acquisition of property. The note is secured by real property and bears interest at 0%. The note is due and payable on March 4, 2014.	325,000
Note receivable from FaithWORKS. The note is secured by real property and bears interest at 0%. Payments are due only when there are residual receipts from the project and/or maturity except that all payments are deferred until March 2041.	59,806
<b>Total notes receivable</b>	<u>\$ 13,807,980</u>

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**6. ASSETS HELD FOR RESALE**

According to generally accepted accounting principles, assets held for resale are recorded at the lower of cost or net realizable value. Assets held for resale are only revalued when the Agency takes formal action that lowers the net realizable value of an asset held for resale, such as entering into a Disposition and Development Agreement.

In fiscal year 2008-09 the Agency purchased a 112-acre parcel of property from the City for a future affordable housing site for \$3,204,230. The City obtained the property through a short sale. The City paid a total of \$814,783 for the property which included the short sale amount along with the delinquent property taxes and assessments due. In 2006, a conceptual plan was prepared for subdividing the property into 128 residential lots. The design created several small single-family neighborhoods under a concept that would minimize grading and maximize open space. At that time the property was appraised based on the conceptual plan. The fair market value as of that date was estimated at \$25,000 per potential lot, or approximately \$3.2 million. The Agency paid \$4,230 in closing costs. The Agency recorded the property as an asset held for resale at its cost of \$3,204,230.

The remainder of assets held for resale is \$1,461,101. The Agency's intention is to sell these properties to further its affordable housing programs.

**7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011, was as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 960,622	\$ -	\$ (12,823)	\$ 947,799
Total capital assets, not being depreciated	<u>960,622</u>	<u>-</u>	<u>(12,823)</u>	<u>947,799</u>
Capital assets, being depreciated:				
Buildings	1,455,733	-	-	1,455,733
Equipment	6,132	-	-	6,132
Total capital assets being depreciated:	<u>1,461,865</u>	<u>-</u>	<u>-</u>	<u>1,461,865</u>
Less accumulated depreciation for:				
Buildings	(1,455,733)	-	-	(1,455,733)
Equipment	(6,132)	-	-	(6,132)
Total accumulated depreciation	<u>(1,461,865)</u>	<u>-</u>	<u>-</u>	<u>(1,461,865)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 960,622</u>	<u>\$ -</u>	<u>\$ (12,823)</u>	<u>\$ 947,799</u>

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**7. CAPITAL ASSETS, Continued**

A summary of changes in capital assets by project area and activity was as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>Project Area:</u>				
<u>Market Street</u>				
Land	\$ 464,740	\$ -	\$ -	\$ 464,740
Total Market Street	464,740	-	-	464,740
<u>Midtown</u>				
Buildings	1,455,733	-	-	1,455,733
Accumulated depreciation	(1,455,733)	-	-	(1,455,733)
Total Midtown	-	-	-	-
<u>Canby-Hilltop-Cypress</u>				
Land	495,882	-	(12,823)	483,059
Equipment	6,132	-	-	6,132
Accumulated depreciation	(6,132)	-	-	(6,132)
Total Canby-Hilltop-Cypress	495,882	-	(12,823)	483,059
<b>Governmental activities capital assets, net</b>	<b>\$ 960,622</b>	<b>\$ -</b>	<b>\$ (12,823)</b>	<b>\$ 947,799</b>

**8. INTERGOVERNMENTAL PAYABLES**

Intergovernmental payables, as of June 30, 2011, consisted of the following:

Notes Payable to the City of Redding

A note was approved by City Council on August 25, 1972, for \$550,000 from the City of Redding Electric Utility Fund to the Agency. The balance at June 30, 2011, was \$308,105 with interest at 3 percent to be repaid by periodic payments from tax increment payments, or out of any other funds available, until the total of principal and interest has been repaid. The monies were used for the sole purpose of acquiring an underground public parking facility located at the Midtown Mall. Upon retirement of the debt, the Agency shall convey all of its right to title and interest in the underground public parking facility to the City of Redding in accordance with their agreement dated August 25, 1972. Interest payable as of June 30, 2011, was \$286,537. None of this note payable is current. This debt was issued for the Agency's capital assets, and therefore, is included in the calculation of the net assets invested in capital assets, net of related debt.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**8. INTERGOVERNMENTAL PAYABLES, Continued**

Reimbursement Agreements

The City and the Agency have entered into three reimbursement agreements.

The first agreement is a reciprocal one that provides for the Agency, as funds become available from tax increment revenue, to reimburse the City for all amounts paid to the Agency under the Midtown Project Lease. Therefore, in substance, the final source for this reimbursement is the property tax increment revenue. Under this agreement \$43,367 was paid in fiscal year 2010-2011. The balance of this long-term payable is \$568,835 with interest at 3%. The current portion is \$42,130.

The second agreement provides for the Agency, as funds become available, to reimburse the City for expenses incurred on behalf of the Agency's Buckeye, Canby-Hilltop-Cypress, Market Street, Midtown and SHASTEC project areas. Interest accrues at ten percent per annum. The current balance as of June 30, 2011, is \$108,977.

The third agreement provides for the Agency to partially reimburse the City for the previous transfers for fiscal years 1984-85 through 2008-09 that the City had previously elected to forego in order to support the Agency. The City will be reimbursed \$2,795,800 from the Canby-Hilltop-Cypress Redevelopment Project Area and \$2,040,000 from the Market Street Project Area over a period of eight years. Under this agreement \$550,000 was paid in fiscal year 2010-11 by the Canby-Hilltop-Cypress Project Area. The balance of the long-term payable is \$2,485,800. The current portion is \$650,000.

Obligations to the City of Redding

The Agency has no employees. Administrative and accounting services are provided by City personnel. Consequently, the Agency has an obligation to the City for accrued salaries, compensated absences and retirement plan contributions. The balance of this obligation at June 30, 2011, was \$49,419 for amounts due within one year and \$123,147 for the long-term portion. Since the Agency has no employees, it has no liability for Other Post Employment Benefits (OPEB). All OPEB liabilities are obligations of the City of Redding. Please see the City's financial statements for additional information regarding OPEB.

Repayment Agreement

The City and the Agency entered into a repayment agreement executed on May 18, 1999, for the SHASTEC Project Area. The City agreed to provide funds in an amount not to exceed \$2,000,000 from its Risk Management Fund for the Clover Creek Drainage Project. The loan will accrue interest at the same rate as the City's pooled cash account. The principal balance at June 30, 2011, was \$1,487,025. Interest payable as of June 30, 2011 was \$24,488. The Agency agreed to make annual payments of principal and interest starting in fiscal year 2009-2010. The funding source for such payments will be tax increment revenue or bond proceeds secured by the SHASTEC Redevelopment project. Under this agreement, \$87,668 was paid in principal and \$139,132 in interest in fiscal year 2010-11. The long-term portion is \$1,305,215 and the amount due within one year is \$181,810.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**8. INTERGOVERNMENTAL PAYABLES, Continued**

Contractual Obligations to the State of California, Shasta County and the City of Anderson

The Canby-Hilltop-Cypress Capital Project Fund has short-term obligations of \$7,800 to Shasta County and \$1,256 to the State of California.

The Market Street Capital Project Fund has a short-term obligation of \$871 to Shasta County.

The SHASTECC Redevelopment Project Area was formed by a cooperative agreement between the redevelopment agencies of Shasta County, the City of Anderson and the City of Redding. As of June 30, 2011, the SHASTECC Project Area had an obligation of \$1,343,862 to Shasta County and an obligation of \$195,646 to the City of Anderson totaling \$1,539,508 for their housing programs. The SHASTECC Redevelopment Project Area Capital Project Fund had a short-term obligation to Shasta County of \$31,889.

The Buckeye Redevelopment Project Area was formed by a cooperative agreement between the redevelopment agencies of Shasta County and the City of Redding. As of June 30, 2011, the Buckeye Project Area had an obligation of \$330,022 to Shasta County for its housing programs. The Buckeye Redevelopment Project Area Capital Project Fund has a short-term obligation to Shasta County of \$36,912.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**8. INTERGOVERNMENTAL PAYABLES, Continued**

Following is a summary of the changes in intergovernmental payable amounts as of June 30, 2011:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
<b>Short-term intergovernmental payable</b>				
<b>Reimbursement agreements</b>				
Midtown Debt Service Fund	\$ 31,683	\$ 15,357	\$ (4,910)	\$ 42,130
Canby-Hilltop-Cypress Capital Project Fund	31,001	2,640,860	(2,562,884)	108,977
Canby-Hilltop-Cypress Debt Service Fund	-	2,361,279	(2,361,279)	-
Canby-Hilltop-Cypress Special Revenue Fund	-	2,334,493	(2,334,493)	-
Market Street Capital Project Fund	-	2,917,343	(2,917,343)	-
Market Street Debt Service Fund	-	472,683	(472,683)	-
Market Street Special Revenue Fund	-	1,106,529	(1,106,529)	-
SHASTECCapital Project Fund	163,820	2,169,779	(2,151,789)	181,810
SHASTECCDebt Service Fund	-	992,009	(992,009)	-
SHASTECCSpecial Revenue Fund	-	52,156	(52,156)	-
Buckeye Capital Project Fund	-	244,154	(244,154)	-
Buckeye Special Revenue Fund	-	2,579	(2,579)	-
<b>Total reimbursement agreements</b>	<b>226,504</b>	<b>15,309,221</b>	<b>(15,202,808)</b>	<b>332,917</b>
<b>Short-term obligations to California, Shasta County and the City of Anderson</b>				
Canby-Hilltop-Cypress Capital Project Fund	-	9,056	-	9,056
Market Street Capital Project Fund	-	871	-	871
SHASTECCapital Project Fund	460,593	31,889	(460,593)	31,889
SHASTECCHousing Fund	1,371,807	167,701	-	1,539,508
Buckeye Capital Project Fund	18,037	36,912	(18,037)	36,912
Buckeye Housing Fund	285,539	44,483	-	330,022
<b>Total short-term obligation to Shasta County and the City of Anderson</b>	<b>2,135,976</b>	<b>290,912</b>	<b>(478,630)</b>	<b>1,948,258</b>
<b>Short-term obligation to the City of Redding</b>				
Canby-Hilltop-Cypress Special Revenue Fund	34,312	-	(11,558)	22,754
Canby-Hilltop-Cypress Capital Project Fund	608,728	-	(188,754)	419,974
Market Street Capital Project Fund	8,791	250,000	(2,870)	255,921
Market Street Special Revenue Fund	-	483	-	483
SHASTECCapital Project Fund	1,106	-	(1,000)	106
Buckeye Capital Project Fund	815	-	(634)	181
<b>Total short-term obligations to the City of Redding</b>	<b>653,752</b>	<b>250,483</b>	<b>(204,816)</b>	<b>699,419</b>
<b>Total short-term intergovernmental payable</b>	<b>3,016,232</b>	<b>15,850,616</b>	<b>(15,886,254)</b>	<b>2,980,594</b>

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**8. INTERGOVERNMENTAL PAYABLES, Continued**

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
<u>Long-term intergovernmental payable</u>				
<b>Reimbursement agreement</b>				
Midtown Debt Service Fund	\$ 580,521	\$ -	\$ (53,816)	\$ 526,705
Total reimbursement agreement	<u>580,521</u>	<u>-</u>	<u>(53,816)</u>	<u>526,705</u>
<b>Note payable to the City of Redding</b>				
Midtown Debt Service Fund	308,105	-	-	308,105
Total note payable to the City of Redding	<u>308,105</u>	<u>-</u>	<u>-</u>	<u>308,105</u>
<b>Repayment agreement</b>				
SHASTEC Capital Project Fund	1,410,873	-	(105,658)	1,305,215
Total repayment agreement	<u>1,410,873</u>	<u>-</u>	<u>(105,658)</u>	<u>1,305,215</u>
<b>Long-term obligations to the City of Redding</b>				
Canby-Hilltop-Cypress Special Revenue Fund	70,817	-	(21,547)	49,270
Canby-Hilltop-Cypress Capital Project Fund	521,008	-	(416,343)	104,665
Market Street Capital Project Fund	2,054,866	146	(250,000)	1,805,012
Total long-term obligations to the City of Redding	<u>2,646,691</u>	<u>146</u>	<u>(687,890)</u>	<u>1,958,947</u>
Total long-term intergovernmental payable	<u>4,946,190</u>	<u>146</u>	<u>(847,364)</u>	<u>4,098,972</u>
Total intergovernmental payable	<u>\$ 7,962,422</u>	<u>\$ 15,850,762</u>	<u>\$ (16,733,618)</u>	<u>\$ 7,079,566</u>

**9. UNEARNED REVENUE**

Unearned revenue of \$235,817 as of June 30, 2011, in the Statement of Net Assets consisted of property tax revenue that was accruing in the Midtown Special Revenue Fund. Project areas approved before 1986 can defer the 20 percent housing set aside until the project area's debt service obligations are met. With the passage of Proposition 13, the Midtown Project Area had to borrow money from the City to meet its lease revenue debt service obligation. Although the lease revenue debt service obligation has been fully funded, the Midtown Project Area still owes the City \$1,163,476 in principal and interest and continues to defer its housing obligation until that debt is paid.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**10. DEFERRED REVENUE**

Total deferred revenue of \$2,983,568 on the Balance Sheet as of June 30, 2011, consisted of both revenue that was deferred because it is unavailable and revenue that was deferred because it is unearned. Deferred revenue consisted of the following for the year ended June 30, 2011:

Unavailable tax increment	\$ 1,324,540
Unearned tax increment	235,817
Unavailable interest and notes receivables	<u>1,423,211</u>
Total deferred revenue	<u>\$ 2,983,568</u>

**11. LONG-TERM DEBT**

The following is a summary of changes in long-term debt during the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year	Due in more Than One Year
<u>Project Area:</u>						
<u>Market Street</u>						
Tax Allocation Bonds 2003 Series	\$ 4,075,000	\$ -	\$ (205,000)	\$ 3,870,000	\$ 215,000	\$ 3,655,000
Less bond discounts	(33,779)	-	2,567	(31,212)	(2,567)	(28,645)
Less unamortized deferred loss on defeased debt	(94,139)	-	7,154	(86,985)	(7,154)	(79,831)
Total Market Street	<u>3,947,082</u>	<u>-</u>	<u>(195,279)</u>	<u>3,751,803</u>	<u>205,279</u>	<u>3,546,524</u>
<u>Canby-Hilltop-Cypress</u>						
Tax Allocation Bonds (Series A)	3,310,000	-	(405,000)	2,905,000	425,000	2,480,000
Tax Allocation Bonds (Series B)	3,500,000	-	-	3,500,000	-	3,500,000
Tax Allocation Bonds 2003 (Series A)	22,340,000	-	(1,215,000)	21,125,000	1,265,000	19,860,000
Add bond premiums	49,723	-	(3,779)	45,944	3,779	42,165
Less bond discounts	(45,953)	-	5,468	(40,485)	(5,468)	(35,017)
Less unamortized deferred loss on defeased debt	(252,522)	-	19,192	(233,330)	(19,191)	(214,139)
Total Canby-Hilltop-Cypress	<u>28,901,248</u>	<u>-</u>	<u>(1,599,119)</u>	<u>27,302,129</u>	<u>1,669,120</u>	<u>25,633,009</u>
<u>SHASTECC</u>						
Tax Allocation Bonds (Series 2006)	14,235,000	-	(275,000)	13,960,000	285,000	13,675,000
Less bond discounts	(57,792)	-	2,216	(55,576)	(2,216)	(53,360)
Total SHASTECC	<u>14,177,208</u>	<u>-</u>	<u>(272,784)</u>	<u>13,904,424</u>	<u>282,784</u>	<u>13,621,640</u>
<b>Total long-term debt</b>	<u>\$ 47,025,538</u>	<u>\$ -</u>	<u>\$ (2,067,182)</u>	<u>\$ 44,958,356</u>	<u>\$ 2,157,183</u>	<u>\$ 42,801,173</u>

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**11. LONG TERM DEBT, Continued**

Long-term debt consisted of the following as of June 30, 2011:

Tax Allocation Bonds, Series 2003:	
Interest from 2.0% to 5.679% payable March 1 and September 1; maturities are payable September 1 in annual redemptions from \$170,000 to \$400,000; final payment September 1, 2023. Original issue: \$5,185,000. Proceeds from the Series 2003 Bonds are used to finance various capital improvements within the Market Street Redevelopment Area.	\$ 3,870,000
Tax Allocation Bonds, Series A:	
Interest from 2.61% to 6.4% payable on March 1 and September 1; maturities payable on September 1 in annual redemptions from \$280,000 to \$545,000; final payment September 1, 2016. Original issue: \$6,000,000. Proceeds from the Series A Bonds are used for housing projects.	2,905,000
Tax Allocation Housing Bonds, Series B:	
Interest from 4.5% to 4.875% payable March 1 and September 1; maturities are payable beginning September 1, 2016, in annual redemptions from \$105,000 to \$745,000; final payment September 1, 2021. Original issue: \$3,500,000. Proceeds from the Series B Bond are used for housing projects.	3,500,000
Tax Allocation Bonds, Series A 2003:	
Interest from 2.0% to 5.0% payable March 1 and September 1; maturities are payable September 1 in annual redemptions from \$1,040,000 to \$2,055,000; final payment September 1, 2023. Original issue: \$28,935,000. Proceeds from the Series A 2003 Bonds are used to finance various capital improvements within the Canby-Hilltop-Cypress Redevelopment Area.	21,125,000
Tax Allocation Bonds, Series 2006:	
Interest from 4.0% to 5.0% payable March 1 and September 1; maturities are payable September 1 in annual redemptions from \$245,000 to \$5,585,000; final payment September 1, 2036. Original issue: \$15,000,000. Proceeds from the Series 2006 Bonds are used to finance various capital improvements within the SHASTEC Redevelopment Area.	13,960,000
Total bonds outstanding	45,360,000

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**11. LONG-TERM DEBT, Continued**

Discount on Market Street Tax Allocation Bonds, Series 2003	(31,212)
Discount on Canby-Hilltop-Cypress Tax Allocation Bonds, Series A	(17,903)
Discount on Canby-Hilltop-Cypress Tax Allocation Bonds, Series B	(22,582)
Premium on Canby-Hilltop-Cypress Tax Allocation Bonds, Series A 2003	45,944
Discount on SHASTEK Tax Allocation Bonds, Series 2006	(55,576)
Unamortized deferred loss on defeased debt	(320,315)
	<hr/>
Total discount/premium and unamortized deferred loss on defeased debt	(401,644)
	<hr/>
Total long-term debt	\$ 44,958,356
	<hr/>

Annual requirements to amortize long-term debt outstanding as of June 30, 2011, are set forth below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	2,190,000	2,145,800	\$ 4,335,800
2013	2,290,000	2,044,996	4,334,996
2014	2,400,000	1,937,825	4,337,825
2015	2,505,000	1,824,031	4,329,031
2016	2,625,000	1,702,364	4,327,364
2017-2021	15,200,000	6,416,986	21,616,986
2022-2026	10,150,000	2,813,274	12,963,274
2027-2031	3,100,000	1,626,850	4,726,850
2032-2036	3,980,000	747,000	4,727,000
2037-2038	920,000	22,999	942,999
	<hr/>	<hr/>	<hr/>
	\$ 45,360,000	\$ 21,282,125	\$ 66,642,125
	<hr/>	<hr/>	<hr/>

The Canby-Hill-Cypress Housing Setaside Tax Allocation Bonds, Series 2001 A & B, the Canby-Hill-Cypress Tax Allocation Bonds, Series A 2003, the Market Street Tax Allocation Bonds, Series 2003, and the SHASTEK Tax Allocation Bonds, Series 2006, had issuance costs of \$1,252,645, which were recorded as deferred charges on the Statement of Net Assets. This amount is being amortized over the life of the bonds at \$62,624 annually. As of June 30, 2011, the amount unamortized is \$744,669.

None of the bonded debt was issued for the Agency's capital assets. All of the capital assets financed by the bonded debt have been transferred to the City, and therefore, are not included in the calculation of net assets invested in capital assets, net of related debt.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**12. FUND BALANCE**

Fund balance as of June 30, 2011, consists of the following:

	Major funds				Subtotal
	Canby-Hilltop-Cypress Special Revenue	Market Street Special Revenue	SHASTE Special Revenue	Canby-Hilltop-Cypress Debt Service	
Fund balances:					
Nonspendable fund balance:					
Nonspendable in form:					
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -
Total nonspendable	-	-	-	-	-
Restricted fund balance:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	4,891,697	4,891,697
Housing	19,062,002	6,474,393	2,082,894	-	27,619,289
Total restricted	19,062,002	6,474,393	2,082,894	4,891,697	32,510,986
Total fund balances	\$ 19,062,002	\$ 6,474,393	\$ 2,082,894	\$ 4,891,697	\$ 32,510,986

	Major funds					Total
	Subtotal	Market Street Capital Project	Canby-Hilltop-Cypress Capital Project	SHASTE Capital Project	Other Funds	
Fund balances:						
Nonspendable fund balance:						
Nonspendable in form:						
Prepaid items	\$ -	\$ -	\$ 8,849	\$ -	\$ -	\$ 8,849
Total nonspendable	-	-	8,849	-	-	8,849
Restricted fund balance:						
Capital projects	-	2,511,132	10,585,378	6,477,138	1,353,304	20,926,952
Debt service	4,891,697	-	-	-	2,144,754	7,036,451
Housing	27,619,289	-	-	-	309,416	27,928,705
Total restricted	32,510,986	2,511,132	10,585,378	6,477,138	3,807,474	55,892,108
Total fund balances	\$ 32,510,986	\$ 2,511,132	\$ 10,594,227	\$ 6,477,138	\$ 3,807,474	\$ 55,900,957

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**13. TAX INCREMENT REVENUE PLEDGED**

The Agency has pledged a portion of future tax increment revenue in the Canby-Hilltop-Cypress Project Area to repay \$6,000,000 and \$3,500,000 in tax allocation bonds issued in December of 2001. Proceeds from the \$9,500,000 bonds provided funding for housing projects. The bonds are payable solely from housing set aside tax increment revenues and are payable through 2016 and 2021 respectively. Annual principal and interest payments on the bonds are expected to require less than 30 percent of tax increment revenue. The total principal and interest remaining to be paid on the bonds is \$8,413,185. Principal and interest paid for the current year and total tax increment revenue were \$770,945 and \$2,531,857, respectively.

The Agency has pledged a portion of future tax increment revenue in the Canby-Hilltop-Cypress Project Area to repay \$28,935,000 in tax allocation bonds issued in August of 2003. Proceeds from the bonds provided funding for various infrastructure projects. The bonds are payable solely from tax increment revenues and are payable through 2023. Annual principal and interest payments on the bonds are expected to require less than 35 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$28,296,485. Principal and interest paid for the current year and total tax increment revenue were \$2,214,448 and \$6,398,407, respectively.

The Agency has pledged a portion of future tax increment revenue in the Market Street Project Area to repay \$5,185,000 in tax allocation bonds issued in August of 2003. Proceeds from the bonds provided funding for various infrastructure projects. The bonds are payable solely from tax increment revenues and are payable through 2023. Annual principal and interest payments on the bonds are expected to require less than 11 percent of tax increment revenue. The total principal and interest remaining to be paid on the bonds is \$5,368,256. Principal and interest paid for the current year and total tax increment revenue were \$411,039 and \$3,729,021, respectively.

The Agency has pledged a portion of future tax increment revenue in the SHASTEC Project Area to repay \$15,000,000 in tax allocation bonds issued in August of 2006. Proceeds from the bonds provided funding for various infrastructure projects including the Stillwater Industrial Park. The bonds are payable solely from tax increment revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than 52 percent of tax increment revenue. The total principal and interest remaining to be paid on the bonds is \$24,564,199. Principal and interest paid for the current year and total tax increment revenue were \$943,621 and \$1,820,119 respectively.

The Agency has pledged a portion of future tax increment revenue in the SHASTEC Project Area to repay a \$2,000,000 loan from the City that was made on May 18, 1999. The loan proceeds funded the Clover Creek Storm Drainage Project. The funding source for the loan payments will be tax increment revenue or bond proceeds and are payable through 2019. Annual principal and interest payments on the loan are expected to require less than 12 percent of tax increment revenue. As of June 30, 2011, the principal balance is \$1,487,025 and the interest balance is \$24,488. Interest and principal paid for in the current year are \$139,132 and \$87,668, respectively.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**13. TAX INCREMENT REVENUE PLEDGED, Continued**

The Agency has pledged a portion of future tax increment revenue in the Market Street Project Area to repay a \$1,600,000 loan from Canby-Hilltop-Cypress Project Area made on May 1, 2008. The loan proceeds funded the removal of the Downtown Mall roof. The funding source for the loan payments will be tax increment revenue and are payable through 2014. Annual principal and interest payments on the loan are expected to require less than 13 percent of tax increment revenue. As of June 30, 2011, the principal balance is \$680,772 and the interest balance is \$18. Interest and principal paid for in the current year is \$6,692 and \$556,268, respectively.

**14. TAX INCREMENT REVENUE**

The County of Shasta assesses, bills and collects property taxes for the Agency. Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1. They become due November 1 and February 1 and become delinquent after December 10 and April 10. Agency property tax revenues are recognized when levied to the extent that they result in current receivables. The property tax increment revenue is the amount of increase in property taxes due to the increased property valuation over the base year. The old portion of the Market Street Project (the Midtown Project) and Canby-Hilltop-Cypress Project base years are 1973-74 and 1981-82, respectively. The new portion of Market Street Project and the amended Canby-Hilltop-Cypress Project Areas base year is 1989-90. The SHASTEC Project Area base year is 1995-96. The amended SHASTEC Project Area base year is 2006-07. The Buckeye Project Area base year is 1999-2000.

**15. RISK MANAGEMENT**

The Redevelopment Agency participates in the City's self-insurance programs. The City administers self-insurance programs for property and general liability which affect the Agency. These insurance activities are accounted for in the City's Risk Management Fund, an internal service fund. The Agency is a component unit of the City. The liability for insurance claims is estimated on a case-by-case basis for all pending claims. There has been no significant reduction in any of the insurance coverages from the prior year.

Losses in the City's Risk Management Fund have not exceeded charges to the various funds of the City and its component units. Settled claims resulting from these risks have not exceeded the self-insured retention or excess insurance coverage in any of the past three fiscal years. In accordance with GASB 10, a component unit is not required to include a reconciliation of changes in the aggregate liabilities if it is covered by the primary government.

The City's Risk Management Fund is allowed to make additional assessments to make the pool self-sustaining. The Risk Management Fund does not currently anticipate additional assessments being necessary; however, there is no limit established for additional assessments.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**15. RISK MANAGEMENT, Continued**

Liability Insurance is administered internally by the City of Redding. The City is self-insured up to \$500,000 with a municipal risk retention pool insuring claims from \$500,001 to \$40 million. The Risk Management Fund recognizes revenue from fund charges and accounts for actual expenditures. Funds determined to be at risk are charged a percentage of the total estimated insurance and claim expense. Percentages are based upon loss experience, and the interfund charges are reported as interfund services provided and used.

Property Insurance is administered by the California Joint Powers Risk Management Authority. The City is self-insured for claims up to \$25,000. An insurance company insures claims over \$25,000. The Risk Management Fund recognizes revenue from fund charges and accounts for actual expenditures. Funds determined to be at risk are charged a percentage of the total estimated insurance and claim expense. Percentages are based upon loss experience, and the interfund charges are reported as services provided and used.

As the Agency is charged for the cost of services for liability and property insurance annually, no claims payable are recorded in these financial statements. Claims liabilities are reported in the City of Redding's financial statements as of June 30, 2011.

**16. COMMITMENTS AND CONTINGENCIES**

Encumbrances as of June 30, 2011, are as follows:

<u>Fund</u>	<u>Encumbrances</u>
Major Funds	
Special Revenue:	
CHC	\$ 1,286,395
Market Street	1,223,533
SHASTECH	125,000
Debt Service:	
CHC	-
Capital Project:	
CHC	228,162
Market Street	177,497
SHASTECH	1,074,902
Minor funds	<u>1,040,205</u>
Total	<u>\$ 5,155,694</u>

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**16. COMMITMENTS AND CONTINGENCIES, Continued**

As of June 30, 2011, the Agency's commitments with construction contractors are as follows:

Fund	Project	Remaining Commitment	Financing Sources
Capital Project:			
CHC	Rivercrest Park	\$ 62,307	Tax Increment revenue
SHASTEC	Stillwater Industrial Park	581,212	Bond proceeds
Special Revenue:			
CHC	Grange Street infrastructure improvements	300,000	Tax increment revenue
Total Commitments		<u>\$ 943,519</u>	

The Agency committed \$730,000 from the Canby-Hilltop-Cypress Redevelopment Project Area to assist with the development of Phase I of Rivercrest Park. As of year end, \$62,307 was encumbered to complete the project. CHC also committed \$300,000 in housing set aside funds for infrastructure improvements to Grange Street located in the Parkview target neighborhood.

The SHASTEC Redevelopment Project Area has committed \$10 million to assist with the construction of road and bridge improvements relating to the development of the Stillwater Business Park. Of this amount, \$581,212 remains encumbered for the first phased improvements.

The Agency has enforceable obligations committing the following low- and moderate-income housing funds: (1) Disposition and Development Agreement (DDA) in an amount not-to-exceed \$787,000 for the construction of 4 one-bedroom and 2 two-bedroom affordable units in a mixed-use project as part of the Downtown 300; (2) Development Funding Agreement in an amount not-to-exceed \$530,000 for the acquisition of two parcels and the design and construction of a duplex consisting of an affordable two-bedroom fully accessible unit and a three-bedroom affordable unit in a target neighborhood. Of this amount, \$411,941 remains encumbered to complete the project; (3) DDA in an amount not-to-exceed \$750,000 for the construction of 11 affordable units, 5 one-bedroom and 6 two-bedroom, in a mixed use project in a target neighborhood. A total of \$90,482 remains encumbered to complete the project; (4) Owner Participation Agreement in an amount not-to-exceed \$700,000 for the construction of a fourplex to provide transitional housing for homeless families. Of this amount, \$640,194 remains encumbered to complete the project; and (5) DDA in an amount not-to-exceed \$250,000 to assist with the construction of 2 two-bedroom affordable units in a target neighborhood.

Conduit Debt

In 2001, the Agency issued conduit bonds to provide financing for improvements at various school sites for the Redding School District. The bonds do not constitute an obligation of the Agency. The bonds are secured by the land and improvements to Bonnyview Elementary School located at 5080 Bidwell Road, Redding, CA 96001. On June 30, 2011, the total outstanding principal on the bonds was \$4,475,000.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**17. REDEVELOPMENT AGENCIES IN THE STATE OF CALIFORNIA**

In June 2011, the Governor signed two budget trailer bills, ABX1 26 and 27, in conjunction with implementation of the Fiscal Year 2011-12 State budget. These two bills significantly modify the California Community Redevelopment Law under which redevelopment agencies in California operate. Pursuant to ABX1 26 (referred to as the "Dissolution Act"), a complete dissolution of redevelopment agencies would occur on October 1, 2011. However, the companion bill, ABX1 27 (referred to as the "Voluntary Program Act") allows redevelopment agencies to avoid dissolution under the Dissolution Act by opting into an "alternative voluntary redevelopment program" requiring specific substantial annual contributions to local schools and special districts. The State's Department of Finance has stated that the Agency's 2011-12 payment under the Voluntary Program to be \$5,883,999, split into two payments due on January 15, 2012, and May 15, 2012.

Subsequently, on July 18, 2011, CRA and the League of California Cities filed a petition asking the California Supreme Court to overturn ABX1 26 and 27, as they violate the State's Constitution. It was also requested that a stay be granted to prevent the legislation from going into effect until the Court decides on the lawsuit. On August 18, 2011, the California Supreme Court announced that it would hear the lawsuit, *California Redevelopment Association, et al. versus Ana Matosantos, et al*, with a decision before January 15, 2012, the due date of the first payment under the Voluntary Program. The Court also issued a partial stay regarding the suspension of the effectiveness of ABX1 26 and 27 until it could rule on the constitutionality of these bills. This partial stay has, therefore, temporarily suspended all redevelopment activity, other than activity which the Agency is bound through an enforceable obligation, i.e., contract.

**Redding Redevelopment Agency**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**18. LOW AND MODERATE INCOME HOUSING FUND EXCESS SURPLUS**

Per the California State Controller's guidelines, listed below is the computation of the Low and Moderate Income Housing Fund Excess Surplus as of the beginning of the fiscal year, July 1, 2010.

**Fund balance:**

Canby-Hilltop-Cypress Special Revenue Fund	\$ 18,068,657
Market Street Special Revenue Fund	6,517,418
SHASTEC Special Revenue Fund	1,792,380
Buckeye Special Revenue Fund	266,064
Midtown Special Revenue Fund	-
Total opening fund balance, July 1, 2010	<u>26,644,519</u>

**Less unavailable amounts:**

Encumbrances	\$ (2,019,035)
Indebtedness from deferrals of tax increment	(222,722)
Land held for resale	(4,665,331)
Loans receivable for housing activities	(6,201,161)
Residual receipts loans	(5,690,611)
Set aside revenue not recognized	222,722
Unspent bond proceeds	<u>(577,575)</u>
Total unavailable	<u>(19,153,713)</u>

Available Low and Moderate Income Housing Funds	<u>7,490,806</u>
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**Limitation (Greater of \$1,000,000 or four years set aside):**

Set-aside for last four years:	
2008-09	\$ 3,681,281
2007-08	3,370,519
2006-07	2,975,903
2005-06	<u>2,588,894</u>
Total set-aside for last four years	<u>\$ 12,616,597</u>
Base limitation	<u>\$ 1,000,000</u>
Greater amount	<u>12,616,597</u>

<b>Computed excess surplus, July 1, 2010</b>	<u><u>\$ -</u></u>
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REQUIRED SUPPLEMENTARY INFORMATION

**Redding Redevelopment Agency**  
**Required Supplementary Information**  
**For the year ended June 30, 2011**

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**1. BUDGETARY PRINCIPLES**

Budget Data

The operating budget of the Agency is adopted by the Board of Directors/Redding City Council prior to July 1 each year primarily on a cash basis. The Agency's Executive Director is authorized to transfer budget amounts between divisions within any fund; however, any revisions that alter the total expenditures of any fund require Board of Directors' budget amendment.

Budget information is adopted and presented for the special revenue, debt service and capital project funds. The presentations represent original appropriations adjusted for supplemental appropriations, if any, made during the year. The Agency did not adopt a budget for the Midtown Special Revenue Fund since no revenue was available for expenditures. Project areas approved before 1986 can defer the 20 percent housing set aside until the project area's debt service obligations are met.

Summary of Differences between Budgetary Basis and Generally Accepted Accounting Principles (GAAP)

The following are the differences between the Agency's budgetary basis and GAAP:

- A. The Agency does not budget for GASB 31 interest income.
- B. The Agency does not budget for accounts payable.
- C. The Agency does not budget for benefit accruals.
- D. The Agency does not budget for transfers to/from the debt service funds.
- E. The Agency budgets for certain receivables and payables on a cash basis.
- F. The Agency budgets for land to be held for resale as an expenditure.
- G. The Agency budgets for encumbrances (commitments made but not yet expended).

Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as designations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**Redding Redevelopment Agency**  
**Required Supplementary Information - Budgetary Comparison Schedule**  
**Canby-Hilltop-Cypress Special Revenue Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 1,973,060	\$ 2,616,360	\$ 2,531,857	\$ (84,503)
Other use of money and property	6,000	159,970	182,670	22,700
Investment revenue	41,000	111,010	96,504	(14,506)
Other revenue	2,050	780	842	62
<b>Total revenues</b>	<b>2,022,110</b>	<b>2,888,120</b>	<b>2,811,873</b>	<b>(76,247)</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	957,260	967,910	567,675	400,235
Professional services	4,050	4,050	41	4,009
Housing assistance	4,407,860	4,937,860	2,279,527	2,658,333
Debt service:				
Principal retirement	405,000	405,000	405,000	-
Interest and fiscal charges	375,950	375,950	368,645	7,305
<b>Total expenditures</b>	<b>6,150,120</b>	<b>6,690,770</b>	<b>3,620,888</b>	<b>3,069,882</b>
<b>Net change in fund balance</b>	<b>(4,128,010)</b>	<b>(3,802,650)</b>	<b>(809,015)</b>	<b>2,993,635</b>
<b>FUND BALANCE:</b>				
Beginning of year	18,068,657	18,068,657	18,068,657	-
End of year	<u>\$ 13,940,647</u>	<u>\$ 14,266,007</u>	<u>\$ 17,259,642</u>	<u>\$ 2,993,635</u>

Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:

Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 19,062,002
1. The Agency budgets for and records loan payments received in the revenue accounts, but adjusts the actual payments to loans receivable.	182,395
2. The Agency does not budget for accounts payable adjustments.	(1,549)
3. The Agency budgets for and records loans made in the expenditure accounts, but adjusts the actual disbursement to loans receivable.	(703,101)
4. End of year encumbrances are included in the actual expenditures budgetary basis, but are not included in the Statement of Revenues, Expenditures and Fund Balances.	(1,286,395)
5. The Agency budgeted and paid for rent in a previous period. This amount represent the rent and interest revenue related to the current period.	6,290
Budgetary fund balance	<u>\$ 17,259,642</u>

**Redding Redevelopment Agency  
 Budgetary Comparison Schedule  
 Market Street Special Revenue Fund  
 For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 815,510	\$ -	\$ -	\$ -
Investment revenue	25,000	26,700	24,414	(2,286)
<b>Total revenues</b>	<b>840,510</b>	<b>26,700</b>	<b>24,414</b>	<b>(2,286)</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	39,230	39,380	25,054	14,326
Professional services	700	550	-	550
Housing assistance	3,347,520	3,047,520	2,305,007	742,513
<b>Total expenditures</b>	<b>3,387,450</b>	<b>3,087,450</b>	<b>2,330,061</b>	<b>757,389</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,546,940)</b>	<b>(3,060,750)</b>	<b>(2,305,647)</b>	<b>755,103</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of capital assets	210,000	210,000	-	(210,000)
<b>Total other financing sources (uses)</b>	<b>210,000</b>	<b>210,000</b>	<b>-</b>	<b>(210,000)</b>
<b>Net change in fund balance</b>	<b>(2,336,940)</b>	<b>(2,850,750)</b>	<b>(2,305,647)</b>	<b>545,103</b>
Beginning of year	6,517,418	6,517,418	6,517,418	-
End of year	<u>\$ 4,180,478</u>	<u>\$ 3,666,668</u>	<u>\$ 4,211,771</u>	<u>\$ 545,103</u>

Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:

Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 6,474,393
1. The Agency does not budget for accounts payable adjustments.	(1,344)
2. End of year encumbrances are included in the actual expenditures budgetary basis, but are not included in the Statement of Revenues, Expenditures and Changes in Fund Balances.	(1,223,533)
3. The Agency budgets for land purchases in the expenditure accounts, but adjusts the actual payment to asset held for resale.	(231,706)
4. The Agency budgets for and records loans made in the expenditure accounts, but adjusts the actual disbursement to loans receivable.	(806,039)
Budgetary fund balance	<u>\$ 4,211,771</u>

**Redding Redevelopment Agency**  
**Required Supplementary Information - Budgetary Comparison Schedule**  
**SHASTEC Special Revenue Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 472,160	\$ 449,960	\$ 455,030	\$ 5,070
Investment revenue	23,000	15,000	16,513	1,513
<b>Total revenues</b>	<b>495,160</b>	<b>464,960</b>	<b>471,543</b>	<b>6,583</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	21,270	21,270	13,004	8,266
Housing assistance	1,974,060	999,060	164,200	834,860
<b>Total expenditures</b>	<b>1,995,330</b>	<b>1,020,330</b>	<b>177,204</b>	<b>843,126</b>
<b>Net change in fund balance</b>	<b>(1,500,170)</b>	<b>(555,370)</b>	<b>294,339</b>	<b>849,709</b>
<b>FUND BALANCE:</b>				
Beginning of year	1,792,380	1,792,380	1,792,380	-
End of year	\$ 292,210	\$ 1,237,010	\$ 2,086,719	\$ 849,709
Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:				
Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances			\$ 2,082,894	
1. End of year encumbrances are included in the actual expenditures budgetary basis but are not included in the Statement of Revenues, Expenditures and Fund Balances.			(125,000)	
2. The Agency budgets for and records loans made in the expenditure accounts, but adjusts the actual disbursement to loans receivable.			(38,877)	
3. The Agency does not budget for amounts owed to Shasta County and the City of Anderson for housing, but adjusts the actual amount to intergovernmental payables.			167,702	
Budgetary fund balance			\$ 2,086,719	

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**SUPPLEMENTARY INFORMATION**

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## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Buckeye Project - This fund is used to account for property tax revenues designated for housing assistance to individuals with very low, low or moderate income.

Midtown Project - This fund is used to account for the housing set aside property tax. The tax will not be collected until the Midtown Project Debt Service Fund retires all the debt of the project area.

### **Debt Service Funds**

Debt service funds are used to account for the payment of interest and principal on general debt.

Midtown Project - This fund is used to account for the resources accumulated and payments made for principal and interest on long-term debt of the Midtown Redevelopment Project Area.

Market Street Project - This fund is used to accumulate monies for payment of tax allocation bonds. Debt service is provided by property tax increment revenue.

SHASTECH Project - This fund is used to accumulate monies for payment of tax allocation bonds. Debt service is provided by property tax increment revenue.

### **Capital Project Funds**

Buckeye Project - This fund is used to account for the financing and construction activities in the Buckeye Redevelopment Project Area. Financing will be provided by future Agency tax allocation bonds. Current activity is ongoing and will span several years.

**Redding Redevelopment Agency**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2011**

	Buckeye Special Revenue	Midtown Special Revenue	Midtown Debt Service
<b>ASSETS</b>			
Cash and investments	\$ 488,453	\$ -	\$ -
Interest receivable	3,061	-	-
Taxes receivable	10,611	235,817	-
Restricted assets:			
Cash and investments	-	-	-
Interest receivable	-	-	38
Taxes receivable	-	-	6,205
Notes receivable, net	150,000	-	-
<b>Total assets</b>	<b>\$ 652,125</b>	<b>\$ 235,817</b>	<b>\$ 6,243</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	12,687	235,817	5,851
Intergovernmental payable	330,022	-	-
<b>Total liabilities</b>	<b>342,709</b>	<b>235,817</b>	<b>5,851</b>
<b>Fund Balances:</b>			
Restricted	309,416	-	392
<b>Total fund balances</b>	<b>309,416</b>	<b>-</b>	<b>392</b>
<b>Total liabilities and fund balances</b>	<b>\$ 652,125</b>	<b>\$ 235,817</b>	<b>\$ 6,243</b>

Market Street Debt Service	SHASTEC Debt Service	Buckeye Capital Project	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 1,392,735	\$ 1,881,188
-	-	1,675	4,736
-	-	42,757	289,185
915,114	1,173,043	-	2,088,157
491	19,205	-	19,734
238,500	178,389	-	423,094
-	-	-	150,000
<u>\$ 1,154,105</u>	<u>\$ 1,370,637</u>	<u>\$ 1,437,167</u>	<u>\$ 4,856,094</u>
\$ -	\$ -	\$ 6,030	\$ 6,030
222,298	158,082	40,740	675,475
-	-	37,093	367,115
<u>222,298</u>	<u>158,082</u>	<u>83,863</u>	<u>1,048,620</u>
<u>931,807</u>	<u>1,212,555</u>	<u>1,353,304</u>	<u>3,807,474</u>
<u>931,807</u>	<u>1,212,555</u>	<u>1,353,304</u>	<u>3,807,474</u>
<u>\$ 1,154,105</u>	<u>\$ 1,370,637</u>	<u>\$ 1,437,167</u>	<u>\$ 4,856,094</u>

**Redding Redevelopment Agency**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2011**

	Buckeye Special Revenue	Midtown Special Revenue	Midtown Debt Service
<b>REVENUES:</b>			
Tax increment	\$ 88,206	\$ -	\$ 65,476
Investment revenue	2,208	-	493
Other revenue	-	-	174
<b>Total revenues</b>	<b>90,414</b>	<b>-</b>	<b>66,143</b>
<b>EXPENDITURES:</b>			
Current:			
Administrative	2,579	-	1,912
Housing assistance	44,483	-	-
Pass throughs	-	-	2,996
Community development	-	-	-
Intergovernmental expenditures	-	-	-
Debt service:			
Principal retirement	-	-	43,367
Interest and fiscal charges	-	-	18,366
<b>Total expenditures</b>	<b>47,062</b>	<b>-</b>	<b>66,641</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>43,352</b>	<b>-</b>	<b>(498)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	-	-	-
<b>Total other financing</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>43,352</b>	<b>-</b>	<b>(498)</b>
<b>FUND BALANCES:</b>			
Beginning of year	266,064	-	890
End of year	\$ 309,416	\$ -	\$ 392

Market Street Debt Service	SHASTEC Debt Service	Buckeye Capital Project	Total Non-Major Governmental Funds
\$ 494,214	\$ 1,130,906	\$ 352,823	\$ 2,131,625
1,989	8,022	9,998	22,710
-	-	1,598	1,772
496,203	1,138,928	364,419	2,156,107
60,074	46,938	20,089	131,592
-	-	-	44,483
-	-	123,600	126,596
-	-	53,419	53,419
-	-	73,207	73,207
205,000	275,000	-	523,367
207,609	670,071	-	896,046
472,683	992,009	270,315	1,848,710
23,520	146,919	94,104	307,397
(38,204)	(155,551)	-	(193,755)
(38,204)	(155,551)	-	(193,755)
(14,684)	(8,632)	94,104	113,642
946,491	1,221,187	1,259,200	3,693,832
\$ 931,807	\$ 1,212,555	\$ 1,353,304	\$ 3,807,474

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**Redding Redevelopment Agency**  
**Budgetary Comparison Schedule**  
**Canby-Hilltop-Cypress Debt Service Fund - Major Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 2,406,720	\$ 2,401,080	\$ 2,659,607	\$ 258,527
Investment revenue	-	6,140	10,711	4,571
<b>Total revenues</b>	<b>2,406,720</b>	<b>2,407,220</b>	<b>2,670,318</b>	<b>263,098</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	175,000	175,000	145,262	29,738
Debt service:				
Principal retirement	1,215,000	1,215,000	1,215,000	-
Interest and fiscal charges	1,014,450	1,014,450	1,001,018	13,432
<b>Total expenditures</b>	<b>2,404,450</b>	<b>2,404,450</b>	<b>2,361,280</b>	<b>43,170</b>
<b>Net change in fund balance</b>	<b>2,270</b>	<b>2,770</b>	<b>309,038</b>	<b>306,268</b>
<b>FUND BALANCE:</b>				
Beginning of year	4,977,647	4,977,647	4,977,647	-
End of year	\$ 4,979,917	\$ 4,980,417	\$ 5,286,685	\$ 306,268

Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:

Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 4,891,697
1. The Agency does not budget for transfers in/out from the debt service fund.	394,988
Budgetary fund balance	\$ 5,286,685

**Redding Redevelopment Agency**  
**Budgetary Comparison Schedule**  
**Market Street Capital Project Fund - Major Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 2,775,020	\$ 3,282,520	\$ 3,234,807	\$ (47,713)
Other use of money and property	-	640	1,300	660
Investment revenue	32,000	27,000	37,498	10,498
Other revenue	5,000	8,100	11,279	3,179
<b>Total revenues</b>	<b>2,812,020</b>	<b>3,318,260</b>	<b>3,284,884</b>	<b>(33,376)</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	179,170	199,160	155,543	43,617
Professional services	41,420	41,420	30,268	11,152
Pass throughs	2,033,530	2,033,750	1,688,535	345,215
Capital outlay	1,833,270	7,259,020	1,767,244	5,491,776
Debt service:				
Principal retirement	310,260	556,270	556,268	2
Interest and fiscal charges	52,700	6,700	6,692	8
<b>Total expenditures</b>	<b>4,450,350</b>	<b>10,096,320</b>	<b>4,204,550</b>	<b>5,891,770</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,638,330)</b>	<b>(6,778,060)</b>	<b>(919,666)</b>	<b>5,858,394</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long-term debt issued	-	4,844,500	1,000,000	(3,844,500)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>4,844,500</b>	<b>1,000,000</b>	<b>(3,844,500)</b>
<b>Net change in fund balance</b>	<b>(1,638,330)</b>	<b>(1,933,560)</b>	<b>80,334</b>	<b>2,013,894</b>
<b>FUND BALANCE:</b>				
Beginning of year	1,717,658	1,717,658	1,717,658	-
End of year	\$ 79,328	\$ (215,902)	\$ 1,797,992	\$ 2,013,894

(Continued)

**Redding Redevelopment Agency**  
**Budgetary Comparison Schedule**  
**Market Street Capital Project Fund - Major Fund - Continued**  
**For the year ended June 30, 2011**

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Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:

Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances	\$	2,511,132
1. The Agency does not budget for transfers in/out from the debt service fund.		(38,204)
2. The Agency does not budget for accounts payable adjustments.		21,117
3. End of year encumbrances are included in the actual expenditures budgetary basis, but are not included in the Statement of Revenues, Expenditures and Changes in Fund Balances.		(180,071)
4. Advances from other funds are included in actual revenue budgetary basis, but are not included in the Statement of Revenues, Expenditures, and Changes in Fund Balances.		1,000,000
5. Payments on advances are included in actual expenditures budgetary funds, but are not included in the Statement of Revenues, Expenditures, and Changes in Fund Balances.		(556,268)
6. The Agency budgets for interest on loans on a cash basis, not accrual basis.		286
7. Deposits made on the purchase of property are budgeted as expenditures, but are not included in the Statement of Revenues, Expenditures, and Changes in Fund Balances.		(960,000)
Budgetary fund balance	<u>\$</u>	<u>1,797,992</u>
		(Concluded)

**Redding Redevelopment Agency**  
**Budgetary Comparison Schedule**  
**Canby-Hilltop-Cypress Capital Project Fund - Major Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 5,485,500	\$ 4,296,360	\$ 3,738,800	\$ (557,560)
Other use of money and property	310,260	563,360	556,668	(6,692)
Investment revenue	202,700	132,700	114,531	(18,169)
Other revenue	226,000	230,000	317,405	87,405
<b>Total revenues</b>	<b>6,224,460</b>	<b>5,222,420</b>	<b>4,727,404</b>	<b>(495,016)</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	602,760	632,760	594,545	38,215
Professional services	176,300	176,300	110,476	65,824
Pass throughs	4,170,660	4,171,277	3,523,642	647,635
Capital outlay	6,831,360	7,220,110	1,252,918	5,967,192
<b>Total expenditures</b>	<b>11,781,080</b>	<b>12,200,447</b>	<b>5,481,581</b>	<b>6,718,866</b>
<b>Net change in fund balance</b>	<b>(5,556,620)</b>	<b>(6,978,027)</b>	<b>(754,177)</b>	<b>6,223,850</b>
<b>FUND BALANCE:</b>				
Beginning of year	10,300,110	10,300,110	10,300,110	-
End of year	\$ 4,743,490	\$ 3,322,083	\$ 9,545,933	\$ 6,223,850

Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:

Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 10,594,227
1. The Agency budgeted and paid for rent in a previous period. This amount represent the rent and interest revenue related to the current period.	25,150
2. The Agency does not budget for transfers in/out from the debt service fund.	(394,988)
3. The Agency does not budget for accounts payable adjustments.	6,089
4. End of year encumbrances are included in the actual expenditures budgetary basis, but are not included in the Statement of Revenues, Expenditures and Changes in Fund Balances.	(240,813)
5. Advances from other funds are included in actual expenditures budgetary basis, but are not included in the Statement of Revenues, Expenditures, and Changes in Fund Balances.	(1,000,000)
6. Repayment of advances are included in actual revenue budgetary basis, but are not included in the Statement of Revenues, Expenditures, and Changes in Fund Balances.	556,268
<b>Budgetary fund balance</b>	<b>\$ 9,545,933</b>

**Redding Redevelopment Agency**  
**Budgetary Comparison Schedule**  
**SHASTEC Capital Project Fund - Major Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 934,500	\$ 827,330	\$ 689,213	\$ (138,117)
Investment revenue	40,000	43,000	50,133	7,133
Other revenue	2,000	6,200	8,950	2,750
<b>Total revenues</b>	<b>976,500</b>	<b>876,530</b>	<b>748,296</b>	<b>(128,234)</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	35,060	35,050	24,046	11,004
Professional services	78,000	78,000	72,674	5,326
Pass throughs	775,170	655,320	653,282	2,038
Capital outlay	5,412,470	5,412,470	2,252,422	3,160,048
Debt service:				
Principal retirement	163,820	87,670	87,668	2
Interest and fiscal charges	62,980	139,140	139,132	8
<b>Total expenditures</b>	<b>6,527,500</b>	<b>6,407,650</b>	<b>3,229,224</b>	<b>3,178,426</b>
<b>Net change in fund balance</b>	<b>(5,551,000)</b>	<b>(5,531,120)</b>	<b>(2,480,928)</b>	<b>3,050,192</b>
<b>FUND BALANCE:</b>				
Beginning of year	7,652,212	7,652,212	7,652,212	-
End of year	\$ 2,101,212	\$ 2,121,092	\$ 5,171,284	\$ 3,050,192
Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:				
Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances			\$ 6,477,138	
1. The Agency does not budget for accounts payable adjustments.			(75,401)	
2. End of year encumbrances are included in the actual expenditures budgetary basis, but are not included in the Statement of Revenues, Expenditures and Changes in Fund Balances.			(1,074,902)	
3. The Agency does not budget for transfers in/out from the debt service fund.			(155,551)	
Budgetary fund balance			\$ 5,171,284	

**Redding Redevelopment Agency**  
**Budgetary Comparison Schedule**  
**Buckeye Special Revenue Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 97,500	\$ 89,720	\$ 88,206	\$ (1,514)
Investment revenue	3,400	2,000	2,208	208
<b>Total revenues</b>	<b>100,900</b>	<b>91,720</b>	<b>90,414</b>	<b>(1,306)</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	5,000	5,000	2,579	2,421
Housing assistance	30,000	30,000	-	30,000
<b>Total expenditures</b>	<b>35,000</b>	<b>35,000</b>	<b>2,579</b>	<b>32,421</b>
<b>Net change in fund balance</b>	<b>65,900</b>	<b>56,720</b>	<b>87,835</b>	<b>31,115</b>
<b>FUND BALANCE:</b>				
Beginning of year	266,064	266,064	266,064	-
End of year	<u>\$ 331,964</u>	<u>\$ 322,784</u>	<u>\$ 353,899</u>	<u>\$ 31,115</u>

Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:

Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 309,416
1. The Agency does not budget for amounts owed to Shasta County for housing, but adjusts the actual amount to intergovernmental payables.	44,483
Budgetary fund balance	<u>\$ 353,899</u>

**Redding Redevelopment Agency**  
**Budgetary Comparison Schedule**  
**Midtown Debt Service Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 56,430	\$ 66,280	\$ 65,476	\$ (804)
Investment revenue	100	250	493	243
Other revenue	50	110	174	64
<b>Total revenues</b>	<b>56,580</b>	<b>66,640</b>	<b>66,143</b>	<b>(497)</b>
Current:				
Administrative	1,900	1,920	1,912	8
Pass throughs	3,000	3,000	2,996	4
Debt service:				
Principal retirement	31,680	43,370	43,367	3
Interest and fiscal charges	20,000	18,370	18,366	4
<b>Total expenditures</b>	<b>56,580</b>	<b>66,660</b>	<b>66,641</b>	<b>19</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>(20)</b>	<b>(498)</b>	<b>(478)</b>
<b>FUND BALANCE:</b>				
Beginning of year	890	890	890	-
End of year	\$ 890	\$ 870	\$ 392	\$ (478)

**Redding Redevelopment Agency**  
**Budgetary Comparison Schedule**  
**Market Street Debt Service Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 487,010	\$ 485,480	\$ 494,214	\$ 8,734
Investment revenue	-	1,620	1,989	369
<b>Total revenues</b>	<b>487,010</b>	<b>487,100</b>	<b>496,203</b>	<b>9,103</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	67,000	67,000	60,074	6,926
Debt service:				
Principal retirement	205,000	205,000	205,000	-
Interest and fiscal charges	214,040	214,040	207,609	6,431
<b>Total expenditures</b>	<b>486,040</b>	<b>486,040</b>	<b>472,683</b>	<b>13,357</b>
<b>Net change in fund balance</b>	<b>970</b>	<b>1,060</b>	<b>23,520</b>	<b>22,460</b>
<b>FUND BALANCE:</b>				
Beginning of year	946,491	946,491	946,491	-
End of year	\$ 947,461	\$ 947,551	\$ 970,011	\$ 22,460
Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:				
Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances			\$ 931,807	
1. The Agency does not budget for transfers in/out from the capital project fund.			38,204	
Budgetary fund balance			\$ 970,011	

**Redding Redevelopment Agency**  
**Budgetary Comparison Schedule**  
**SHASTEC Debt Service Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 954,130	\$ 972,490	\$ 1,130,906	\$ 158,416
Investment revenue	45,000	45,000	8,021	(36,979)
<b>Total revenues</b>	<b>999,130</b>	<b>1,017,490</b>	<b>1,138,927</b>	<b>121,437</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative	50,500	46,940	46,938	2
Debt service:				
Principal retirement	275,000	275,000	275,000	-
Interest and fiscal charges	673,630	670,080	670,071	9
<b>Total expenditures</b>	<b>999,130</b>	<b>992,020</b>	<b>992,009</b>	<b>11</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>25,470</b>	<b>146,918</b>	<b>121,448</b>
<b>FUND BALANCE:</b>				
Beginning of year	1,221,187	1,221,187	1,221,187	-
End of year	<u>\$ 1,221,187</u>	<u>\$ 1,246,657</u>	<u>\$ 1,368,105</u>	<u>\$ 121,448</u>

Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:

Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 1,212,555
1. The Agency does not budget for transfers in/out from the capital project fund.	<u>155,550</u>
Budgetary fund balance	<u>\$ 1,368,105</u>

**Redding Redevelopment Agency**  
**Budgetary Comparison Schedule**  
**Buckeye Capital Project Fund**  
**For the year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Tax increment	\$ 389,990	\$ 359,550	\$ 352,823	\$ (6,727)
Investment revenue	12,500	8,000	9,998	1,998
Other revenue	500	1,100	1,598	498
<b>Total revenues</b>	<b>402,990</b>	<b>368,650</b>	<b>364,419</b>	<b>(4,231)</b>
Current:				
Administrative	30,280	30,280	20,089	10,191
Professional services	51,300	1,300	-	1,300
Pass throughs	131,150	123,610	123,600	10
Capital outlay	1,403,970	1,403,970	1,141,926	262,044
<b>Total expenditures</b>	<b>1,616,700</b>	<b>1,559,160</b>	<b>1,285,615</b>	<b>273,545</b>
<b>Net change in fund balance</b>	<b>(1,213,710)</b>	<b>(1,190,510)</b>	<b>(921,196)</b>	<b>269,314</b>
<b>FUND BALANCE:</b>				
Beginning of year	1,259,200	1,259,200	1,259,200	-
End of year	\$ 45,490	\$ 68,690	\$ 338,004	\$ 269,314

Explanation of differences from the Statement of Revenues, Expenditures and Changes in Fund Balances to Actual Amounts Budgetary Basis:

Fund Balance from the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 1,353,304
1. The Agency does not budget for accounts payable adjustments.	24,905
2. End of year encumbrances are included in the actual expenditures budgetary basis, but are not included in the Statement of Revenues, Expenditures and Changes in Fund Balances.	(1,040,205)
Budgetary fund balance	\$ 338,004

## **STATISTICAL INFORMATION**

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# STATISTICAL SECTION

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This part of the Redding Redevelopment Agency's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's overall financial health.

<u>Index</u>	<u>Page</u>
<b>Financial Trends</b>	96
These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	106
These schedules contain information to help the reader assess the Agency's most significant local revenue, property taxes.	
<b>Debt Capacity</b>	117
These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the Agency's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	124
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place.	
<b>Operating Information</b>	128
These schedules contain service and infrastructure data to help the reader understand how the information in the Agency's financial report relates to the services the Agency provides and the activities it performs. The Agency has no employees. Administrative and accounting services are provided by City employees.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

# REDDING REDEVELOPMENT AGENCY

## Net Assets by Component

### Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt	\$ 1,735	\$ 1,561	\$ 1,518	\$ 1,923	\$ 1,881
Restricted for housing	10,569	9,245	10,428	12,318	12,892
Unrestricted	(8,538)	(9,150)	(9,036)	(8,763)	(8,060)
<b>Total governmental activities net assets</b>	<b>\$ 3,766</b>	<b>\$ 1,656</b>	<b>\$ 2,910</b>	<b>\$ 5,478</b>	<b>\$ 6,713</b>

Source: RRA Comprehensive Annual Financial Report

Fiscal Year				
2006-07	2007-08	2008-09	2009-10	2010-11
\$ 2,160	\$ 1,117	\$ 655	\$ 653	\$ 640
14,543	17,160	20,002	21,232	22,952
(5,578)	(3,269)	(9,235)	(16,538)	(14,289)
\$ 11,125	\$ 15,008	\$ 11,422	\$ 5,347	\$ 9,303

# REDDING REDEVELOPMENT AGENCY

## Change in Net Assets

### Last Ten Fiscal Years

#### (accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Expenses</b>					
Governmental activities:					
General government	\$ 121	\$ 121	\$ 179	\$ 466	\$ 168
Public safety	-	-	-	216	334
Public works	6,256	2,827	6,423	2,245	3,928
Recreation and culture	5,437	2,899	1	3,875	679
Community development	1,260	4,225	4,330	5,040	8,393
Interest and fiscal charges	1,844	1,731	1,985	2,001	1,975
Total governmental activities expenses	<u>\$ 14,918</u>	<u>\$ 11,803</u>	<u>\$ 12,918</u>	<u>\$ 13,843</u>	<u>\$ 15,477</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ -	\$ -	\$ -	\$ -	\$ 16
Public works	-	1	-	40	35
Community development	10	52	-	1	25
Operating grants and contributions	-	-	4	740	1,089
Capital grants and contributions	967	1,366	2,627	2,249	609
Total governmental activities program revenues	<u>\$ 977</u>	<u>\$ 1,419</u>	<u>\$ 2,631</u>	<u>\$ 3,030</u>	<u>\$ 1,774</u>
<b>Net (expense) revenue</b>	<u>\$ (13,941)</u>	<u>\$ (10,384)</u>	<u>\$ (10,287)</u>	<u>\$ (10,813)</u>	<u>\$ (13,703)</u>
<b>General Revenue and Other Changes in Net Assets</b>					
Governmental activities:					
Property taxes	\$ 6,251	\$ 7,277	\$ 10,462	\$ 11,717	\$ 13,079
Investment earnings	1,143	985	1,028	1,304	1,856
Miscellaneous	1	12	19	45	3
Gain on sale of assets	-	-	32	237	-
Total governmental activities	<u>\$ 7,395</u>	<u>\$ 8,274</u>	<u>\$ 11,541</u>	<u>\$ 13,303</u>	<u>\$ 14,938</u>
<b>Change in Net Assets</b>	<u>\$ (6,546)</u>	<u>\$ (2,110)</u>	<u>\$ 1,254</u>	<u>\$ 2,490</u>	<u>\$ 1,235</u>

Source: RRA Comprehensive Annual Financial Report

Fiscal Year				
2006-07	2007-08	2008-09	2009-10	2010-11
\$ 276	\$ 269	\$ 324	\$ 336	\$ 302
450	52	30	95	23
4,505	7,235	11,548	2,654	1,259
166	822	631	21	17
5,182	6,613	9,534	19,607	8,211
2,557	2,582	2,528	2,422	2,300
<u>\$ 13,136</u>	<u>\$ 17,573</u>	<u>\$ 24,595</u>	<u>\$ 25,135</u>	<u>\$ 12,112</u>
\$ 17	\$ 25	\$ 32	\$ 37	\$ 43
8	7	4	1	3
1	2	15	3	1
10	3	175	-	-
212	237	819	295	295
<u>\$ 248</u>	<u>\$ 274</u>	<u>\$ 1,045</u>	<u>\$ 336</u>	<u>\$ 342</u>
<u>\$ (12,888)</u>	<u>\$ (17,299)</u>	<u>\$ (23,550)</u>	<u>\$ (24,799)</u>	<u>\$ (11,770)</u>
\$ 15,026	\$ 17,180	\$ 18,802	\$ 18,252	\$ 15,308
2,927	2,785	1,162	472	418
1	-	-	-	-
-	1,217	-	-	-
<u>\$ 17,954</u>	<u>\$ 21,182</u>	<u>\$ 19,964</u>	<u>\$ 18,724</u>	<u>\$ 15,726</u>
<u>\$ 5,066</u>	<u>\$ 3,883</u>	<u>\$ (3,586)</u>	<u>\$ (6,075)</u>	<u>\$ 3,956</u>

# REDDING REDEVELOPMENT AGENCY

## Fund Balances, Governmental Funds

### Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
All Governmental Funds					
Reserved	\$ 22,494	\$ 21,326	\$ 21,930	\$ 13,104	\$ 12,926
Unreserved, reported in:					
Special revenue funds	3,240	2,310	3,066	13,667	13,878
Capital project funds	8,298	7,278	5,865	18,963	18,726
Debt service funds	(1,414)	(1,504)	10,472	(2)	(3)
Total all governmental funds	<u>\$ 32,618</u>	<u>\$ 29,410</u>	<u>\$ 41,333</u>	<u>\$ 45,732</u>	<u>\$ 45,527</u>

	Fiscal Year
	2010-11
All Governmental Funds	
Nonspendable fund balance	\$ 9
Restricted fund balance:	
Housing	27,929
Capital projects	20,927
Debt service	7,036
Total all governmental funds	<u>\$ 55,901</u>

Per GASB 54 the types of fund balance changed beginning in FY 2010-11. The first nine years are shown in the prior format.

Fiscal year 2010-11 is shown under the GASB 54 format.

Source: RRA Comprehensive Annual Financial Report

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Fiscal Year			
<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
\$ 17,854	\$ 17,985	\$ 22,720	\$ 25,657
12,848	13,640	11,019	10,101
32,292	34,173	26,127	18,962
-	-	-	-
<u>\$ 62,994</u>	<u>\$ 65,798</u>	<u>\$ 59,866</u>	<u>\$ 54,720</u>

# REDDING REDEVELOPMENT AGENCY

## Government Activities Tax Revenues by Source

### Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

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Fiscal Year	Property Tax Increment
2001-2002	\$ 6,251
2002-2003	7,277
2003-2004	10,462 <sup>1</sup>
2004-2005	11,718
2005-2006	13,079
2006-2007	15,026
2007-2008	17,180
2008-2009	18,802
2009-2010	18,252
2010-2011	15,308

Source: RRA Comprehensive Annual Financial Report

<sup>1</sup> In FY 2003-04 the Agency reported the pass-through payments and related tax increment to the County and the Mosquito Abatement District for the first time since this was the first year these amounts were available.

**REDDING REDEVELOPMENT AGENCY**  
**Government Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
(amounts expressed in thousands)

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<u>Fiscal Year</u>	<u>Property Tax Increment</u>
2001-2002	\$ 6,320
2002-2003	7,244
2003-2004	10,433 <sup>1</sup>
2004-2005	11,720
2005-2006	12,978
2006-2007	14,915
2007-2008	16,910
2008-2009	18,464
2009-2010	18,180
2010-2011	15,441

Source: RRA Comprehensive Annual Financial Report

<sup>1</sup> In FY 2003-04 the Agency reported the pass-through payments and related tax increment to the County and the Mosquito Abatement District for the first time since this was the first year these amounts were available.

**REDDING REDEVELOPMENT AGENCY**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

(amounts expressed in thousands)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Revenues</b>					
Tax increment	\$ 6,320	\$ 7,244	\$ 10,433	\$ 11,720	\$ 12,978
Other use of money and property	10	55	30	88	108
Intergovernmental revenues	889	886	1,879	4,001	1,258
Investment revenue	1,080	918	837	1,205	1,773
Other revenue	14	265	125	80	558
Total revenues	<u>8,313</u>	<u>9,368</u>	<u>13,304</u>	<u>17,094</u>	<u>16,675</u>
<b>Expenditures</b>					
Current:					
Administrative	1,159	1,175	1,249	1,477	1,500
Professional services	22	14	11	14	13
Housing assistance	631	2,787	648	305	2,762
Pass throughs	418	896	3,149	4,088	4,963
Community development	7,200	4,204	3,362	2,747	2,348
Intergovernmental expenditures	2,082	392	2,420	2,546	1,786
Capital outlay	-	323	-	1,043	23
Debt service:					
Principal retirement	605	1,050	280	2,137	1,589
Interest and fiscal charges	1,350	1,739	1,866	1,942	1,897
Bond issuance costs	331	-	734	-	-
Total expenditures	<u>13,798</u>	<u>12,580</u>	<u>13,719</u>	<u>16,299</u>	<u>16,881</u>
Excess of revenues over (under) expenditures	<u>(5,485)</u>	<u>(3,212)</u>	<u>(415)</u>	<u>795</u>	<u>(206)</u>
<b>Other Financing Sources (Uses)</b>					
Long-term debt issued	9,500	-	34,120	1,141	-
Bond discount	(93)	-	(51)	-	-
Premium on bonds issued	-	-	76	-	-
Payment to refunding bond escrow agent	-	-	(21,837)	-	-
Gain (loss) on sale of land	249	4	31	(16)	-
Transfers in	512	993	2,599	21,754	372
Transfers out	(512)	(993)	(2,599)	(21,754)	(372)
Total other financing sources (uses)	<u>9,656</u>	<u>4</u>	<u>12,339</u>	<u>1,125</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,171</u>	<u>\$ (3,208)</u>	<u>\$ 11,924</u>	<u>\$ 1,920</u>	<u>\$ (206)</u>
Debt service as a percentage of noncapital expenditures	17%	23%	21%	27%	21%
Debt service as a percentage of total expenditures	14%	22%	16%	25%	21%
Capital outlay as a percentage of total expenditures	0%	3%	0%	6%	0%

Source: RRA Comprehensive Annual Financial Report

		Fiscal Year							
		2006-07	2007-08	2008-09	2009-10	2010-11			
\$	14,915	\$	16,910	\$	18,464	\$	18,180	\$	15,441
	7		6		1		-		2
	125		83		11		-		-
	2,850		2,692		1,057		353		373
	103		198		1,033		335		340
	<u>18,000</u>		<u>19,889</u>		<u>20,566</u>		<u>18,868</u>		<u>16,156</u>
	1,494		1,715		1,897		1,775		1,688
	15		13		25		165		124
	635		430		581		1,269		543
	3,982		4,542		4,962		12,346		5,442
	1,452		925		3,423		1,998		409
	2,748		6,261		11,189		1,800		1,576
	455		-		-		-		-
	1,595		1,915		1,979		2,044		2,781
	2,237		2,501		2,441		2,579		2,412
	199		-		-		-		-
	<u>14,812</u>		<u>18,302</u>		<u>26,497</u>		<u>23,976</u>		<u>14,975</u>
	3,188		1,587		(5,931)		(5,108)		1,181
	15,000		-		-		-		-
	(66)		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		1,217		-		(38)		-
	1,129		664		751		440		589
	(1,129)		(664)		(751)		(440)		(589)
	<u>14,934</u>		<u>1,217</u>		<u>-</u>		<u>(38)</u>		<u>-</u>
\$	<u>18,122</u>	\$	<u>2,804</u>	\$	<u>(5,931)</u>	\$	<u>(5,146)</u>	\$	<u>1,181</u>
	28%		24%		17%		19%		35%
	26%		24%		17%		19%		35%
	3%		0%		0%		0%		0%

# REDDING REDEVELOPMENT AGENCY

## Assessed Value of Taxable Property

### Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year Ended June 30	Secured Roll (Real Property)	Unsecured Roll (Personal Property)	Total Assessed Value	Total Direct Tax Rate
2002	\$ 1,235,183	\$ 183,173	\$ 1,418,356	1.00%
2003	1,235,183	183,173	1,418,356	1.00%
2004	1,340,190	197,482	1,537,672	1.00%
2005	1,450,942	206,606	1,657,548	1.00%
2006	1,546,176	207,966	1,754,142	1.00%
2007	1,656,258	228,163	1,884,421	1.00%
2008	1,832,825	242,814	2,075,639	1.00%
2009	2,008,182	266,422	2,274,604	1.00%
2010	2,142,005	303,728 *	2,445,733 *	1.00%
2011	1,945,486	283,400	2,228,886	1.00%

Note: The estimated actual value of property is not available in California. Property is assessed primarily when sold. The assessed value is then increased by a maximum of 2% per year. Under California Proposition 13 the basic tax rate is 1% without overrides. However, the Redevelopment portion is based on the incremental value which is 1% of the difference between the current year and base year assessed values. For determination of the tax relevant to the Agency, see pages 108-114.

Source: Shasta County Auditor-Controller

\* Amounts restated by the Shasta County Auditor-Controller.

# REDDING REDEVELOPMENT AGENCY

## Property Tax Levies and Collections

### Last Seven Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year *	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy *
2005	\$ 11,029,565	\$ 10,736,094	97.34%	\$ 230,218	\$ 10,966,312	99.43%
2006	12,345,088	12,102,988	98.04%	257,978	12,360,966	100.13%
2007	14,258,774	13,852,679 **	97.15%	287,409	14,140,088	99.17%
2008	16,286,747	15,729,319 **	96.58%	383,664	16,112,983	98.93%
2009	18,010,241 **	17,614,502 **	97.80%	378,098	17,992,600	99.90%
2010	17,826,420	17,578,925	98.61%	231,839	17,810,764	99.91%
2011	15,846,100	15,217,140	96.03%	-	15,217,140	96.03%

Note: The collection in subsequent years was first made available to the Agency by Shasta County in fiscal year 2005-06. Therefore, the Agency can only report seven years of levies and collections.

Source: Shasta County Auditor-Controller

\* This is the original tax levied by Shasta County and does not include any supplemental assessments. Shasta County does not provide information to the Agency on levied supplemental assessments although the actual amount collected includes supplemental assessments. Because of this, the percentage of levy could be stated as more than 100%.

\*\* Amounts restated

# REDDING REDEVELOPMENT AGENCY

## Assessed Valuations of the Project Areas

### Inception to Date

Canby-Hilltop-Cypress Project	Assessed Valuation			
	Total	Over Base Year	Over Base Year	Over Previous Year
1984-1985	\$ 191,128,630	\$ 59,231,120	44.9%	- %
1985-1986	223,390,670	91,493,160	69.4	16.9
1986-1987	260,902,485	129,004,975	97.8	16.8
1987-1988	279,164,832	147,267,322	111.7	7.0
1988-1989	292,948,900	161,051,390	122.1	4.9
1989-1990	317,073,862	182,627,522	135.8	8.2
1990-1991	366,413,718	231,967,378	172.5	15.6
1991-1992	389,975,355	258,927,455	197.6	6.4
1992-1993	431,629,020	300,581,120	229.4	10.7
1993-1994	460,276,275	329,228,375	251.2	6.6
1994-1995	469,795,902	338,748,002	258.5	2.1
1995-1996	484,774,503	353,726,603	269.9	3.2
1996-1997	506,021,159	374,973,259	286.1	4.4
1997-1998	520,598,234	389,550,334	297.3	2.9
1998-1999	543,713,166	412,665,266	314.9	4.4
1999-2000	563,222,318	432,174,418	329.8	3.6
2000-2001	593,131,351	462,083,451	352.6	5.3
2001-2002	621,633,792	490,585,892	374.4	4.8
2002-2003	676,300,328	545,252,428	416.1	8.8
2003-2004	723,259,018	592,216,808	451.9	6.9
2004-2005	753,827,943	622,785,733	475.3	4.2
2005-2006	803,477,949	672,478,957	513.3	6.6
2006-2007	886,445,918	755,446,926	576.7	10.3
2007-2008	966,867,468	835,868,476	638.1	9.1
2008-2009	1,028,407,337	897,408,345	685.0	6.4
2009-2010	1,021,734,056	890,778,064	680.2	(0.6)
2010-2011	924,316,119	793,360,127	605.8	(9.5)
<b>Base Year 1980-81</b>				
Original amount	\$ 134,446,340			
Current amount	130,955,992			

Note: Base year valuation changes as properties are placed into public ownership. The Agency receives the increase in taxes over the base year (tax increment). The County maintains all tax allocation amounts and records.

Source: Shasta County Auditor-Controller

# REDDING REDEVELOPMENT AGENCY

## Assessed Valuations of the Project Areas

### Inception to Date (Continued)

Canby-Hilltop-Cypress Amendment #1	Assessed Valuation		Percent Increase (Decrease)	
	Total	Over Base Year	Over Base Year	Over Previous Year
1991-1992	\$ 62,549,271	\$ 14,006,857	28.9%	- %
1992-1993	69,136,799	20,594,385	42.4	10.5
1993-1994	75,514,477	26,972,063	55.6	9.2
1994-1995	78,958,994	30,416,580	62.7	4.6
1995-1996	77,735,509	29,193,095	60.1	(1.5)
1996-1997	81,876,625	33,334,211	68.7	5.3
1997-1998	82,150,413	33,607,999	69.2	0.3
1998-1999	83,906,739	35,364,325	72.9	2.1
1999-2000	86,362,665	37,820,251	77.9	2.9
2000-2001	89,279,973	40,737,559	83.9	3.4
2001-2002	92,543,521	44,001,107	90.6	3.7
2002-2003	97,071,226	48,528,812	100.0	4.9
2003-2004	104,856,273	56,313,859	116.0	8.0
2004-2005	117,208,594	68,666,180	141.5	11.8
2005-2006	131,404,189	82,861,775	170.7	12.1
2006-2007	156,254,565	107,712,151	221.9	18.9
2007-2008	182,553,475	134,011,061	276.1	16.8
2008-2009	197,364,533	148,822,119	306.6	8.1
2009-2010	193,058,470	144,516,056	297.7	(2.2)
2010-2011	178,690,661	130,148,247	268.1	(7.4)
<hr/>				
Base Year 1989-90				
Original amount	\$ 48,542,414			

Note: Base year valuation changes as properties are placed into public ownership. The Agency receives the increase in taxes over the base year (tax increment). The County maintains all tax allocation amounts and records.

Source: Shasta County Auditor-Controller

# REDDING REDEVELOPMENT AGENCY

## Assessed Valuations of the Project Areas

### Inception to Date (Continued)

Midtown Project	Assessed Valuation		Percent Increase (Decrease)	
	Total	Over Base Year	Over Base Year	Over Previous Year
1980-1981	\$ 8,464,660	\$ 3,380,760	66.5%	- %
1981-1982	9,712,090	3,628,190	59.6	14.7
1982-1983	9,362,640	4,278,740	84.2	(3.6)
1983-1984	9,590,900	4,507,000	88.7	2.4
1984-1985	9,571,440	4,487,540	88.3	(0.2)
1985-1986	9,397,430	4,313,530	84.8	(1.8)
1986-1987	9,118,420	4,034,520	79.4	(3.0)
1987-1988	9,475,329	4,391,429	86.4	3.9
1988-1989	9,045,794	3,961,894	77.9	(4.5)
1989-1990	9,185,720	4,101,820	80.7	1.5
1990-1991	9,246,015	4,162,115	81.9	0.7
1991-1992	9,437,049	4,353,149	85.6	2.1
1992-1993	11,089,143	6,005,243	118.1	17.5
1993-1994	10,884,196	5,800,296	114.1	(1.8)
1994-1995	10,888,037	5,804,137	114.2	0.0
1995-1996	10,792,442	5,708,542	112.3	(0.9)
1996-1997	9,801,189	4,717,289	92.8	(9.2)
1997-1998	8,581,616	3,497,716	68.8	(12.4)
1998-1999	8,087,206	3,003,306	59.1	(5.8)
1999-2000	7,428,884	2,344,984	46.1	(8.1)
2000-2001	7,139,498	2,055,598	40.4	(3.9)
2001-2002	7,092,358	2,008,458	39.5	(0.7)
2002-2003	7,595,114	2,511,214	49.4	7.1
2003-2004	6,643,014	1,559,114	30.7	(12.5)
2004-2005	5,742,302	2,067,242	56.3	(13.6)
2005-2006	6,455,369	2,780,309	75.7	12.4
2006-2007	6,965,375	3,290,315	89.5	7.9
2007-2008	8,479,232	4,804,172	130.7	21.7
2008-2009	9,196,031	5,520,971	150.2	8.5
2009-2010	9,540,991	5,865,931	159.6	3.8
2010-2011	9,932,089	6,257,029	170.3	4.1
<b>Base Year 1973-74</b>				
Original amount	\$ 5,083,900			
Current amount	3,675,060			

Note: Base year valuation changes as properties are placed into public ownership. The Agency receives the increase in taxes over the base year (tax increment). The County maintains all tax allocation amounts and records.

Source: Shasta County Auditor-Controller

# REDDING REDEVELOPMENT AGENCY

## Assessed Valuations of the Project Areas

### Inception to Date (Continued)

Market Street (Expanded Project)	Assessed Valuation		Percent Increase (Decrease)	
	Total	Over Base Year	Over Base Year	Over Previous Year
1991-1992	\$ 314,140,593	\$ 29,944,525	10.5%	- %
1992-1993	323,147,205	38,951,137	13.7	2.9
1993-1994	351,341,077	67,145,009	23.6	8.7
1994-1995	353,182,209	68,986,141	24.3	0.5
1995-1996	360,988,158	76,792,090	27.0	2.2
1996-1997	371,960,947	87,764,879	30.9	3.0
1997-1998	385,086,690	102,836,626	36.4	3.5
1998-1999	395,121,470	112,871,406	40.0	2.6
1999-2000	403,798,267	121,548,203	43.1	2.2
2000-2001	421,624,890	139,374,826	49.4	4.4
2001-2002	449,083,797	166,833,733	59.1	6.5
2002-2003	483,102,243	201,233,625	71.4	7.6
2003-2004	520,131,134	239,037,046	85.0	7.7
2004-2005	544,985,614	264,335,590	94.2	4.8
2005-2006	561,527,891	280,963,695	100.1	3.0
2006-2007	614,884,263	334,320,067	119.2	9.5
2007-2008	659,946,392	379,930,741	135.7	7.3
2008-2009	715,562,607	435,546,956	155.5	8.4
2009-2010	706,460,908	426,488,651	152.3	(1.3)
2010-2011	655,018,227	375,069,679	134.0	(7.3)
<b>Base Year 1989-90</b>				
Original amount	\$ 284,196,068			
Current amount	279,948,548			

Note: Base year valuation changes as properties are placed into public ownership. The Agency receives the increase in taxes over the base year (tax increment). The County maintains all tax allocation amounts and records.

Source: Shasta County Auditor-Controller

# REDDING REDEVELOPMENT AGENCY

## Assessed Valuations of the Project Areas

### Inception to Date (Continued)

SHASTECC Project	Assessed Valuation		Percent Increase (Decrease)	
	Total	Over Base Year	Over Base Year	Over Previous Year
1997-1998	\$ 98,629,815 *	\$ 4,426,904 *	4.7%	- %
1998-1999	143,570,454	14,821,562	11.5	45.6
1999-2000	160,575,574	31,826,682	24.7	11.8
2000-2001	165,984,163	37,235,271	28.9	3.4
2001-2002	181,847,501	53,080,929	41.2	9.6
2002-2003	204,356,530	75,618,029	58.7	12.4
2003-2004	227,246,322	98,523,060	76.5	11.2
2004-2005	249,494,215	120,855,953	94.0	9.8
2005-2006	288,565,739	160,101,103	124.6	15.7
2006-2007	307,059,555	178,877,821	139.6	6.4
2007-2008	342,170,071	214,033,661	167.0	11.4
2008-2009	375,106,054 **	246,969,644 **	192.7	9.6
2009-2010	378,248,107	250,199,700	195.4	0.8
2010-2011	351,905,264	223,856,857	174.8	(7.0)
<u>Base Year 1995-96</u>				
Original amount	\$ 128,748,892			
Current amount	128,048,407			

Note: Base year valuation changes as properties are placed into public ownership. The Agency receives the increase in taxes over the base year (tax increment). The County maintains all tax allocation amounts and records.

Shasta County Auditor-Controller

\* Does not include unsecured taxes. Only secured tax increment is received in the initial year of the project area.

\*\* Amounts restated per the Shasta County Auditor-Controller

# REDDING REDEVELOPMENT AGENCY

## Assessed Valuations of the Project Areas

### Inception to Date (Continued)

SHASTEC Project Amendment #1	Assessed Valuation		Percent Increase (Decrease)	
	Total	Over Base Year	Over Base Year	Over Previous Year
2007-2008	\$ 291,620	* \$ 14,746	5.3%	- %
2008-2009	295,325	18,451	6.7	1.3
2009-2010	345,313	68,439	24.7	16.9
2010-2011	362,199	85,325	30.8	4.9
<u>Base Year 2006-07</u>				
Original amount	\$ 276,874			

Note: Base year valuation changes as properties are placed into public ownership. The Agency receives the increase in taxes over the base year (tax increment). The County maintains all tax allocation amounts and records.

Source: Shasta County Auditor-Controller

\* Does not include unsecured taxes. Only secured tax increment is received in the initial year of the project area.

# REDDING REDEVELOPMENT AGENCY

## Assessed Valuations of the Project Areas

### Inception to Date (Continued)

Buckeye Project	Assessed Valuation		Percent Increase (Decrease)	
	Total	Over Base Year	Over Base Year	Over Previous Year
2001-2002	\$ 66,155,557	* \$ 2,116,557	3.3%	- %
2002-2003	69,246,778	5,207,778	8.1	4.7
2003-2004	75,411,879	11,372,879	17.8	8.9
2004-2005	82,883,490	18,844,490	29.4	9.9
2005-2006	92,989,450	28,950,450	45.2	12.2
2006-2007	104,029,495	39,990,495	62.4	11.9
2007-2008	114,295,767	50,258,655	78.5	9.9
2008-2009	119,801,510	55,764,398	87.1	4.8
2009-2010	115,387,729	51,350,617	80.2	(3.7)
2010-2011	108,661,637	44,624,525	69.7	(5.8)
<u>Base Year 1999-2000</u>				
Original amount	\$ 64,039,000			
Current amount	64,037,112			

Note: Base year valuation changes as properties are placed into public ownership. The Agency receives the increase in taxes over the base year (tax increment). The County maintains all tax allocation amounts and records.

Source: Shasta County Auditor-Controller  
 \* Does not include unsecured taxes. Only secured tax increment is received in the initial year of the project area.

# REDDING REDEVELOPMENT AGENCY

## Direct and Overlapping Property Tax Rates

### Last Ten Fiscal Years

(rate per \$100 of assessed value)

Fiscal Year	Basic (1) County, City, School Levy	Overlapping Rates (2)		Total Direct & Overlapping Rate
		School Districts	Bella Vista Water District	
2001-2002	\$ 1.0000	\$ 0.4997	\$ 0.3634	\$ 1.8631
2002-2003	1.0000	0.4907	0.3631	1.8538
2003-2004	1.0000	0.4761	0.3360	1.8121
2004-2005	1.0000	0.4398	0.3472	1.7870
2005-2006	1.0000	0.4211	0.3544	1.7755
2006-2007	1.0000	0.2852	0.3332	1.6184
2007-2008	1.0000	0.2474	0.3344	1.5818
2008-2009	1.0000	0.2846	0.3529	1.6375
2009-2010	1.0000	0.3175	0.3700	1.6875
2010-2011	1.0000	0.3866	0.3700	1.7566

Source: Shasta County Auditor-Controller's records  
Shasta County Tax Rate Schedule

Note: The above amounts reflect the Agency as a whole.

(1) The basic rate is the California constitutionally approved tax rate. The components of the rate can differ for each tax rate area.

(2) Overlapping rates are those of local and county governments that apply to property owners within the Redding Redevelopment Agency project areas. Not all overlapping rates apply to all the property owners in the RRA project areas; for example, rates for special districts apply only to the proportion of the RRA's property owners whose property is located within the geographic boundaries of the special district.

# REDDING REDEVELOPMENT AGENCY

## Principal Property Tax Payers

Fiscal Year 2010-11 and 2001-02

Taxpayer	2010-11			2001-02		
	Taxable Assessed Value	Rank	Percentage of Total RRA Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total RRA Taxable Assessed Value
	MPT of Shasta LP *	\$ 60,834,837	1	2.73%	\$ 59,851,873	1
Mt. Shasta Mall Associates	33,054,921	2	1.48%			
Shasta Enterprises	23,351,520	3	1.05%	11,497,180	8	0.81%
Safeway Stores, Inc.	21,586,218	4	0.97%			
Charter Communications	17,544,649	5	0.79%	19,079,178	3	1.35%
Lowe's HIW, Inc.	17,380,720	6	0.78%			
Knighten, Gary & Patsy	14,075,363	7	0.63%	10,123,485	9	0.71%
MD Imaging	13,943,320	8	0.63%			
Prime Healthcare Services Shasta LLC	13,756,790	9	0.62%			
Kohls Department Store, Inc.	13,748,435	10	0.62%			
Miller Properties LLC				21,993,563	2	1.55%
Meyer Motels, Ltd.				17,977,978	4	1.27%
Sierra Pacific Industries				14,074,308	5	0.99%
WRI Golden State LLC				12,715,758	6	0.90%
Red Lions Hotels, Inc.				12,574,712	7	0.89%
Credit Suisse Leasing 92ALP				9,280,449	10	0.65%
	<u>\$ 229,276,773</u>		<u>10.30%</u>	<u>\$ 189,168,484</u>		<u>13.34%</u>

Source: Redding Redevelopment Agency

\* Note: Name changed from National Medical Enterprises Hospital, Inc. in fiscal year 2005-06.

# REDDING REDEVELOPMENT AGENCY

## Legal Debt Margin Information

### Last Four Fiscal Years

(amounts expressed in thousands)

Project Area	2006-07	2007-08	2008-09	2009-10	2010-11
SHASTECC					
Debt limit	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Total net debt applicable to limit	14,027	13,730	13,424	13,109	12,783
Legal debt margin	\$ 35,973	\$ 36,270	\$ 36,576	\$ 36,891	\$ 37,217
Total net debt applicable to the limit as a percentage of debt limit	28.05%	27.46%	26.85%	26.22%	25.57%

#### Legal Debt Margin Calculation for Fiscal Year 2010-11

Debt limit	\$ 50,000
Debt applicable to limit:	
Tax allocation bonds	13,960
Less: Amount set aside for repayment of debt	(1,177)
Total net debt applicable to limit	12,783
Legal debt margin	\$ 37,217

Note: The SHASTECC Redevelopment Plan caps the bond debt limit to \$50,000,000 at any one time.

**REDDING REDEVELOPMENT AGENCY**  
**Legal Debt Margin Information (Continued)**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Project Area	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Canby-Hilltop-Cypress</b>					
Debt limit	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total net debt applicable to limit	26,399	25,380	35,531	34,168	32,758
Legal debt margin	\$ 73,601	\$ 74,620	\$ 64,469	\$ 65,832	\$ 67,242
Total net debt applicable to the limit as a percentage of debt limit	26.40%	25.38%	35.53%	34.17%	32.76%

Note: The Canby-Hilltop-Cypress Development Plan caps the bond debt limit to \$100,000,000 at any one time.

Project Area	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Market Street</b>					
Debt limit	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total net debt applicable to limit	1,857	1,814	4,766	4,594	4,410
Legal debt margin	\$ 98,143	\$ 98,186	\$ 95,234	\$ 95,406	\$ 95,590
Total net debt applicable to the limit as a percentage of debt limit	1.86%	1.81%	4.77%	4.59%	4.41%

Note: The Market Street Development Plan caps the bond debt limit to \$100,000,000 at any one time.

Source: RRA Comprehensive Annual Financial Report

Fiscal Year				
2006-07	2007-08	2008-09	2009-10	2010-11
\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<u>31,367</u>	<u>29,849</u>	<u>28,424</u>	<u>26,931</u>	<u>25,305</u>
<u>\$ 68,633</u>	<u>\$ 70,151</u>	<u>\$ 71,576</u>	<u>\$ 73,069</u>	<u>\$ 74,695</u>
31.37%	29.85%	28.42%	26.93%	25.31%

**Legal Debt Margin Calculation for Fiscal Year 2010-11**

Debt limit	\$ 100,000
Debt applicable to limit:	
Tax allocation bonds	27,530
Less: Amount set aside for repayment of debt	<u>(2,225)</u>
Total net debt applicable to limit	<u>25,305</u>
Legal debt margin	<u>\$ 74,695</u>

Fiscal Year				
2006-07	2007-08	2008-09	2009-10	2010-11
\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<u>4,227</u>	<u>4,040</u>	<u>3,856</u>	<u>3,657</u>	<u>3,451</u>
<u>\$ 95,773</u>	<u>\$ 95,960</u>	<u>\$ 96,144</u>	<u>\$ 96,343</u>	<u>\$ 96,549</u>
4.23%	4.04%	3.86%	3.66%	3.45%

**Legal Debt Margin Calculation for Fiscal Year 2010-11**

Debt limit	\$ 100,000
Debt applicable to limit:	
Tax allocation bonds	3,870
Less: Amount set aside for repayment of debt	<u>(419)</u>
Total net debt applicable to limit	<u>3,451</u>
Legal debt margin	<u>\$ 96,549</u>

# REDDING REDEVELOPMENT AGENCY

## Pledged-Revenue Coverage

### Last Ten Fiscal Years

(dollars in thousands)

Fiscal Year	Tax Allocation Bonds - Canby-Hilltop-Cypress Project Area						Housing Set Aside Tax Allocation Bonds Canby-Hilltop-Cypress Project Area				
	Property Taxes (1)	Less:		Net Available Revenue	Debt Service		Coverage	Property Taxes	Debt Service		Coverage
		Pass Throughs & Housing Set Aside (2)			Principal	Interest			Principal	Interest	
2002	\$ 5,664	\$ 2,547	\$ 3,117	\$ 495	\$ 1,048	2.02	1,152	-	111	10.41	
2003	6,203	2,805	3,398	515	1,024	2.21	1,255	415	505	1.36	
2004	6,665	3,058	3,607	-	1,103	3.27	1,333	280	495	1.72	
2005	7,304	3,356	3,948	1,040	1,180	1.78	1,461	290	483	1.89	
2006	7,952	3,663	4,289	1,060	1,159	1.93	1,590	305	470	2.05	
2007	9,049	4,162	4,887	1,085	1,137	2.20	1,810	320	452	2.34	
2008	10,082	4,648	5,434	1,105	1,110	2.45	2,016	340	433	2.61	
2009	10,638	4,909	5,729	1,135	1,076	2.59	2,128	360	412	2.76	
2010	10,465	5,018	5,447	1,170	1,041	2.46	2,093	380	389	2.72	
2011	8,930	4,093	4,837	1,215	999	2.18	1,786	405	366	2.32	

Source: RRA Comprehensive Annual Financial Report

Note: Details regarding the Agency's outstanding debt can be found in the notes to the financial statements.

- (1) Included in fiscal years ending 2002 through 2003 is the estimated property taxes collected for Shasta County and the Mosquito Abatement District.
- (2) Included in fiscal years ending 2002 through 2003 is the estimated pass throughs to Shasta County and the Mosquito Abatement District. Previously ERAF, SERAF and pass through payments to schools were included in these totals. Since these amounts are subordinate to the debt service payments, they are not included in the new calculations.
- (3) Previously ERAF, SERAF and pass through payments to schools were included in these totals. Since these amounts are subordinate to the debt service payments, they are not included in the new calculations.

Tax Allocation Bonds - SHASTECC Project Area						
Fiscal Year Ended June 30	Property Taxes	Less:		Debt Service		Coverage
		Pass Throughs & Housing Set Aside (3)	Net Available Revenue	Principal	Interest	
2007	\$ 1,873	611	\$ 1,262	\$ -	\$ 382	3.30
2008	2,292	779	1,513	245	700	1.60
2009	2,651	924	1,727	255	690	1.83
2010	2,871	1,231	1,640	265	679	1.74
2011	2,275	963	1,312	275	669	1.39

Tax Allocation Bonds - Market Street Project Area							Lease Revenue Bonds - Midtown Project Area				
Fiscal Year Ended June 30	Property Taxes (1)	Less:		Debt Service		Coverage	Property Taxes	Debt Service		Coverage	
		Pass Throughs & Housing Set Aside (2)	Net Available Revenue	Principal	Interest			Principal	Interest		
2002	\$ 1,801	\$ 781	\$ 1,020	\$ 40	\$ 138	5.73	\$ 24	\$ 70	\$ 9	0.30	
2003	2,115	925	1,190	45	135	6.60	29	75	5	0.36	
2004	2,515	1,124	1,391	-	190	7.32	-	-	-	-	
2005	2,781	1,210	1,571	170	243	3.80	-	-	-	-	
2006	2,963	1,322	1,641	175	239	3.96	-	-	-	-	
2007	3,526	1,575	1,951	180	234	4.71	-	-	-	-	
2008	3,957	1,769	2,188	190	228	5.23	-	-	-	-	
2009	4,551	2,041	2,510	195	222	6.02	-	-	-	-	
2010	4,268	1,942	2,326	200	214	5.62	-	-	-	-	
2011	3,729	1,638	2,091	205	206	5.09	-	-	-	-	

# REDDING REDEVELOPMENT AGENCY

## Ratios of Outstanding Debt by Type

### Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amount)

Fiscal Year Ended June 30	Governmental Activities			Percentage of Assessed Property Value (2)	Percentage of Personal Income (3)	Per Capita
	Tax Allocation Bonds	Lease Revenue Bonds	Total Bonds (1)			
2002	\$ 31,370	\$ 75	\$ 31,445	2.22%	1.45%	\$ 372
2003	30,395	-	30,395	1.98%	1.38%	355
2004	42,925	-	42,925	2.59%	1.87%	492
2005	41,425	-	41,425	2.36%	1.67%	468
2006	39,885	-	39,885	2.12%	1.54%	447
2007	53,300	-	53,300	2.57%	1.90%	594
2008	51,420	-	51,420	2.26%	1.66%	570
2009	49,475	-	49,475	2.02%	1.55%	544
2010	47,460	-	47,460	1.96%	1.52%	528
2011	45,360	-	45,360	2.04%	1.42%	503

Source: RRA Comprehensive Annual Financial Report

- Note:
- (1) Details regarding the Agency's outstanding debt can be found in Note 11 in the notes to the financial statements.
  - (2) Actual taxable value of property is not available in the State of California.
  - (3) See the Schedule of Demographic and Economic Statistics on page 125 for personal income

**REDDING REDEVELOPMENT AGENCY**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2010**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (4)	Estimated Share of Overlapping Debt
Direct debt:			
Redding Redevelopment Agency (1)	\$ 45,360,000	100.000%	\$ 45,360,000
Subtotal, direct debt	45,360,000	100.000%	45,360,000
Overlapping debt:			
City of Redding (2):			
City of Redding 1915 Act Bonds	1,379,000	26.417%	364,290
Shasta County Schools (3):			
Cascade School District	3,352,733	0.455%	15,255
Columbia School District	3,620,000	8.272%	299,446
Enterprise School District	31,449,516	40.693%	12,797,752
Gateway Unified School District	26,330,685	4.390%	1,155,917
Pacheco Elementary School District	3,424,956	16.570%	567,515
Redding School District	14,185,000	25.279%	3,585,826
Shasta-Tehama-Trinity Joint Community College	29,480,000	15.048%	4,436,150
Shasta Union High School District	23,643,217	21.767%	5,146,419
Subtotal, overlapping debt	136,865,107		28,368,570
Total direct and overlapping debt	\$ 182,225,107		\$ 73,728,570

Source: (1) Redding Redevelopment Agency  
(2) City of Redding  
(3) Shasta County Auditor-Controller's Office  
(4) Percentages calculated using the Shasta County valuations by taxing district for fiscal year 2010-11.

**REDDING REDEVELOPMENT AGENCY**  
**Principal Employers in the City of Redding**  
**Current Year and Nine Years Ago**  
**June 30, 2011**

Employer	2011			2002		
	Employees	Rank	Percentage of Total Area Employment	Employees	Rank	Percentage of Total Area Employment
Shasta County *	1,769	1	2.50%	1,943	1	2.69%
Mercy Medical Center	1,600	2	2.26%	1,570	2	2.18%
City of Redding **	790	3	1.12%	783	5	1.09%
Shasta Regional Medical Center	700	4	0.99%			
Shasta Community College	650	5	0.92%			
Wal Mart	500	6	0.71%			
Blue Shield of California	470	7	0.66%			
Redding Rancheria	310	8	0.44%	565	8	0.78%
United States Post Office	300	9	0.42%			
Shascade	250	10	0.35%			
Redding Medical Center				1,200	3	1.66%
Shasta Nursery				850	4	1.18%
Sierra Pacific Industries				650	6	0.90%
J & A Food Service				600	7	0.83%
Holiday Markets				425	9	0.59%
<b>Total</b>	<b>7,339</b>		<b>10.37%</b>	<b>8,586</b>		<b>11.90%</b>

\* Full-time equivalent budgeted positions. This includes employees who work outside of the City.

\*\* Full-time budget positions.

In 2010-11 there were 709 full-time and 360 part-time/temporary positions filled.

In 2001-02 there were 783 full-time and 231 part-time/temporary positions filled.

Source: Derived from the Employment Development Department's (EDD) listing of the top 25 employers in Shasta County and various websites, including manta.com.

# REDDING REDEVELOPMENT AGENCY

## Demographic and Economic Statistics

### Last Ten Fiscal Years

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Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (2)	Unemployment Rate (3)
2001-2002	84,560	\$ 2,172,093	\$ 25,687	6.9%
2002-2003	85,703	2,208,823	25,773	7.5%
2003-2004	87,280	2,295,813	26,304	7.5%
2004-2005	88,459	2,485,963	28,103	7.1%
2005-2006	89,162	2,586,590	29,010	6.3%
2006-2007	89,682	2,810,455	31,338	7.0%
2007-2008	90,192	3,089,978	34,260	9.2%
2008-2009	90,931	3,184,495	35,021	14.5%
2009-2010	89,878	3,127,934	34,802	15.4%
2010-2011	90,250	3,203,063	35,491	15.0%

Source: (1) State of California  
(2) Bureau of Economic Analysis, U.S. Department of Commerce  
(3) State of California Employment Development Department

Note: Per capita personal income is based on the calendar year information ending during that fiscal year.

# REDDING REDEVELOPMENT AGENCY

## Size by Redevelopment Project Area

### Last Ten Fiscal Years

Fiscal Year	Redding Redevelopment Agency - Square Miles (1)				City of Redding
	Market Street	Canby Hilltop Cypress	SHASTECC	Buckeye	Square Miles (2)
2001-2002	4.05	3.20	6.42	1.67	59.77
2002-2003	4.05	3.20	6.42	1.67	59.82
2003-2004	4.05	3.20	6.42	1.67	59.82
2004-2005	4.05	3.20	6.42	1.67	59.82
2005-2006	4.05	3.20	6.42	1.67	59.82
2006-2007	4.05	3.20	7.78	1.67	59.82
2007-2008	4.05	3.20	7.78	1.67	59.82
2008-2009	4.05	3.20	7.78	1.67	59.82
2009-2010	4.05	3.20	7.78	1.67	59.82
2010-2011	4.05	3.20	7.78	1.67	59.82

Source: (1) Redding Redevelopment Agency  
 (2) City of Redding - Development Service Department

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# REDDING REDEVELOPMENT AGENCY

## Operating Indicators by Function

### Last Ten Fiscal Years

Function	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Public safety:					
Projects under construction	-	-	-	1	-
Public works:					
Projects under construction	13	9	11	18	16
Recreation and culture:					
Projects under construction	6	5	3	5	4
Community development:					
New construction:					
Commercial/public buildings (square footage)	34,000	53,000	119,681	-	7,988
Restoration/rehabilitation:					
Commercial/public buildings (square footage)	-	-	21,288	-	-
Business façade improvements	2	4	6	13	13
Jobs created	35	206	295	8	-
Housing:					
New construction (square footage)	88,000	-	45,942	47,407	72,700
Restoration/rehabilitation (square footage)	9,200	42,000	4,900	2,969	4,565
Households assisted	155	305	172	81	123

Source: Redding Redevelopment Agency

Fiscal Year				
2006-07	2007-08	2008-09	2009-10	2010-11
-	-	-	-	-
18	13	8	8	2
4	4	1	-	-
10,172	7,318	-	-	-
31,140	-	-	-	-
20	18	22	15	15
30	-	-	36	86
80,864	3,521	2,616	27,367	30,691
-	-	-	14,004	-
105	22	32	13	94

# REDDING REDEVELOPMENT AGENCY

## Capital Asset Statistics by Function

### Last Ten Fiscal Years

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Function	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
General government					
Mall structure	1	1	1	1	1
Public works					
Parcels of land for future development	10	11	11	11	11
Community development					
Parcels of land for future development	7	5	5	5	1
Building - future site of community theater	-	-	-	1	1

Source: Redding Redevelopment Agency

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Fiscal Year				
2006-07	2007-08	2008-09	2009-10	2010-11
1	1	1	1	1
10	7	7	7	6
1	1	-	-	-
1	1	-	-	-

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**OTHER SUPPLEMENTAL INFORMATION**

David H. Scott, CPA  
a professional corporation  
Keith F. Hunting, CPA  
Vivian R. Piche', CPA  
Paul J. Catanese, CPA, M.B.A.  
a professional corporation  
Larry Dahl, CPA

**REPORT OF INDEPENDENT AUDITORS  
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**

\_\_\_\_\_  
Gerald R. Tadina, CPA

**Honorable Chairman and Members  
of the Board of Directors  
Redding Redevelopment Agency  
Redding, California**

**Compliance**

We have audited the Redding Redevelopment Agency's compliance with the California Health and Safety Code as required by Section 33080.1 for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the Redding Redevelopment Agency's management. Our responsibility is to express an opinion on the Redding Redevelopment Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and *Guidelines for Compliance Audits of California Redevelopment Agencies, June 2011*, issued by the State Controller and as interpreted in the *Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, August 2011*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Redding Redevelopment Agency (Agency) has occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Agency's compliance with those requirements. In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that are applicable for the year ended June 30, 2011.

## Internal Control Over Compliance and Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above and financial reporting. In planning and performing our audit, we considered the Agency's internal control over compliance and financial reporting to determine the auditing procedures for the purpose of expressing our opinion on compliance and financial reporting, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance and financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance and financial reporting.

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

Our consideration of internal control over compliance and financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance or financial reporting.

We did not identify any deficiencies in internal control over compliance or financial reporting that we consider to be material weaknesses, as defined above.

We noted certain matters that we reported to management of the Redding Redevelopment Agency in a separate letter dated November 21, 2011.

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

*W. H. Scott & Company LLP*

Redding, California  
November 21, 2011