

RESOLUTION NO. 2062

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD
 RECEIVING AND APPROVING THE REDEVELOPMENT AGENCY'S
 ANNUAL REPORT FOR FISCAL YEAR 1989/1990 PREPARED
 BY ROBERT M. MOSS ACCOUNTANCY AND
 TRANSMITTING SAME TO THE
 STATE CONTROLLER

BE IT RESOLVED by the City Council of the City of Soledad that the Redevelopment Agency's Annual Report for Fiscal Year 1989/1990 prepared by ROBERT M. MOSS ACCOUNTANCY pursuant to Section 33080 et sequens of the Health and Safety Code is hereby approved and transmitted to the State Controller in the form of the document hereunto attached, marked "Exhibit A," and by reference made a part hereof.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Soledad duly held on the 8th day of January, 1991, by the following vote:

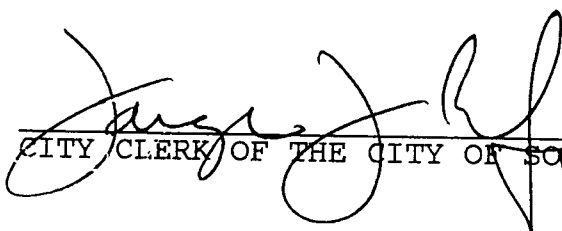
AYES, and in favor thereof, Councilmembers: Fabian Barrera, Ben Jimenez, Jr., Fred Ledesma, Mayor Pro Tem John Holguin, Mayor Joe Ledesma

NOES, Councilmembers: None

ABSENT, Councilmembers: None


 MAYOR OF THE CITY OF SOLEDAD

ATTEST.


 CITY CLERK OF THE CITY OF SOLEDAD

REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD

FINANCIAL STATEMENTS
June 30, 1990

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REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD
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June 30, 1990

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ROBERT M MOSS ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS
802 EAST MAIN STREET
SANTA MARIA, CALIFORNIA 93454

(805) 925-2579
FAX. (805) 925-2147

ROBERT M. MOSS, C.P.A.
RONALD A. LEVY, C.P.A.
MAURICE M. KAHN, C.P.A.
TERESITA E. WHITE, C.P.A.

MEMBER:

AMERICAN INSTITUTE OF C P A ' S
CALIFORNIA SOCIETY OF C P A ' S
CALIFORNIA SOCIETY OF
MUNICIPAL FINANCE OFFICERS
CALIFORNIA ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS

OFFICES:

SANTA MARIA, CALIFORNIA	(805) 925-2579
BEVERLY HILLS, CALIFORNIA	(213) 275-3883
SANTA BARBARA, CALIFORNIA	(805) 569-5053
NEWPORT BEACH, CALIFORNIA	(714) 759-MOSS

August 24, 1990

Honorable Mayor and City Council
City of Soledad
Soledad, California

We have audited the financial statements of the Redevelopment Agency of the City of Soledad as of and for the fiscal year ended June 30, 1990, as listed in the table of contents. These financial statements are the responsibility of the agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Redevelopment Agency of the City of Soledad at June 30, 1990 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In connection with our audit we also performed tests of compliance with the laws, regulations and administrative requirements governing activities of the agency, as detailed in the Guidelines for Compliance Audits of California Redevelopment Agencies issued by the State Controller, Division of Local Government Fiscal Affairs. The laws and regulations governing redevelopment agencies are found in Sections 33000 et seq. of the Health and Safety Code and Title 2 5, Chapter 6, of the California Administrative Code.

The results of our tests indicate that for the items tested the Agency complied with those provisions of laws and regulations noncompliance with which could have a material effect on the Redevelopment Agency's financial statements. Nothing came to our attention that caused us to believe that for the items not tested the Agency was not in compliance with laws or regulations noncompliance with which could have a material effect on the Agency's financial statements.

ROBERT M MOSS ACCOUNTANCY CORPORATION

Robert M Moss Accountancy Corporation

REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1990

	Governmental Fund Type	<u>Account Groups</u>		Totals (Memo Only)
	<u>Special Revenue</u>	<u>General Fixed Assets</u>	<u>General Long- Term Debt</u>	
<u>Assets</u>				
Cash	\$ 588,755	\$ -	\$ -	\$ 588,755
Restricted assets - cash	403,908			403,908
Accrued interest receivable	11,431			11,431
Land		240,087		240,087
Buildings		550,089		550,089
Equipment		28,872		28,872
Amount provided for long-term debt			1,130,000	1,130,000
Total assets	<u>\$ 1,004,094</u>	<u>\$ 819,048</u>	<u>\$ 1,130,000</u>	<u>\$ 2,953,142</u>
<u>Liabilities and Fund Balances</u>				
Liabilities				
Vouchers payable	\$ 59,565	\$ -	\$ -	\$ 59,565
Tax allocation bonds payable			1,130,000	1,130,000
Due to City of Soledad	279,952			279,952
Total liabilities	<u>339,517</u>		<u>1,130,000</u>	<u>1,469,517</u>
Fund Balances				
Investment in fixed assets		819,048		819,048
Reserved	403,908			403,908
Undesignated	260,669			260,669
Total fund balances	<u>664,577</u>	<u>819,048</u>		<u>1,483,625</u>
Total liabilities and fund balances	<u>\$ 1,004,094</u>	<u>\$ 819,048</u>	<u>\$ 1,130,000</u>	<u>\$ 2,953,142</u>

The accompanying notes are an integral part of these financial statements

REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 285,000	\$ 353,380	\$ 68,380
Interest income	<u>172,000</u>	<u>79,207</u>	<u>(92,793)</u>
Total revenues	<u>457,000</u>	<u>432,587</u>	<u>(24,413)</u>
Expenditures.			
Salary & wages	57,000	51,122	5,878
Benefits	12,000	12,934	(934)
Travel and meetings		50	(50)
Office	6,000	4,052	1,948
Professional and technical services	54,000	18,390	35,610
Auditing	4,000	4,000	
Capital outlay	659,972	550,089	109,883
Debt service	<u>319,500</u>	<u>129,932</u>	<u>189,568</u>
Total expenditures	<u>1,112,472</u>	<u>770,569</u>	<u>341,903</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (655,472)</u>	(337,982)	<u>\$ 317,490</u>
Fund balance - July 1, 1989		1,102,559	
Prior year adjustment - reclassify loan		<u>(100,000)</u>	
Fund balance - June 30, 1990		<u>\$ 664,577</u>	

The accompanying notes are an integral part of these financial statements

REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD
NOTES TO FINANCIAL STATEMENTS
June 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Redevelopment Agency of the City of Soledad was organized on September 14, 1982 according to the provisions of the California Community Redevelopment Law, for the purpose of redevelopment, rehabilitation, and revitalization of the redevelopment project area

Accounting Policies

The accounting policies of the Agency conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants

Financial Reporting Entity

The Agency and the City of Soledad are closely related, and the financial statements of the Agency have been consolidated into the City's for the City's financial reporting purposes. The City Council serves as the governing board for the Agency. The Agency does not have any employees separate from those of the City, nor does it have separate facilities

Fund Accounting

The accounts of the Agency are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Agency accounts are grouped into two special revenue funds and two account groups. The account groups are not a "fund". They are concerned only with the measurement of financial position, and are not involved with the measurement or results of operations.

The following funds and account groups are used by the Soledad Redevelopment Agency

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes, as described below

REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD
NOTES TO FINANCIAL STATEMENTS
 June 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Low/Moderate Income Housing Fund - The fund was established to account for the portion of the Agency's property tax allocations (20%) required to be set aside for the purpose of increasing or improving the community's supply of low or moderate income housing, pursuant to Health and Safety Code Section 33334.2

Redevelopment Fund - The Redevelopment Fund was established to account for the balance of property tax allocations and related expenditures made on behalf of the Agency

General Long-Term Debt Account Group - Long-term liabilities expected to be financed from Special Revenue Funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Group is not a "fund" It is concerned only with the measurement of financial position It is not involved with the measurement of results of operations

General Fixed Assets Account Group - accounts for fixed assets used in governmental fund type operations

Basis of Accounting

The Agency maintains its records on the modified accrual basis of accounting for its governmental funds which provides that transactions are recorded in the following manner

- A Revenues are recognized at the time they become susceptible to accrual - that is, when both measurable and available, although they are not yet received in cash
- B Expenditures are recognized when liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due

Long-Term Liabilities

Long-Term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities They are instead reported as liabilities in the General Long-Term Debt Account Group

REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD
NOTES TO FINANCIAL STATEMENTS
June 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Combined and Combining Statements

The "Memo Only" captions on Combined Statements' "TOTALS" column mean that totals are presented for overview informational purposes only, and that they are not intended to present the financial position or results of operations for the governmental unit as a whole. This presentation is acceptable under generally accepted accounting principles.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the Agency.

NOTE 2 - CASH AND TEMPORARY INVESTMENTS

Cash balances from all funds of the Redevelopment Agency are combined and invested by the Treasurer of the City of Soledad in legally allowable securities. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balances of each fund.

Bank balances are insured by a combination of federal depository insurance and the multiple financial institution collateral pool. Amounts deposited through the Local Agency Investment Fund are invested by the fund in accordance with Government Code Sections 16430 and 16480. Such deposits are not insured.

At June 30, 1990, a cash balance of \$403,908 was set aside pursuant to resolution of the Agency for the restricted purpose of debt service of Tax Allocation Bond, series 1985 (See Note 3).

NOTE 3 - REDEVELOPMENT PROJECT TAX ALLOCATION BONDS SERIES 1985

On November 5, 1985, the Agency adopted a Resolution authorizing the sale of \$1,200,000 aggregate principal amount of Soledad Redevelopment Project Tax Allocation Bonds, Series 1985. The bonds were sold at a discount and net bond proceeds amounted to \$1,179,303.

The bonds are payable from, and are secured by a pledge of all the tax revenues received by the Agency. The bonds are further secured by all monies deposited in certain funds and accounts, and the interest earnings thereon.

REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD
NOTES TO FINANCIAL STATEMENTS
 June 30, 1990

NOTE 3 - REDEVELOPMENT PROJECT TAX ALLOCATION BONDS SERIES 1985 (Continued)

<u>Year of Maturity</u>	<u>Principal</u>	<u>Rate of Interest</u>
1990	\$ 20,000	7 75%
1991	25,000	8.00%
1992	25,000	8 20%
1993	30,000	8 40%
1994	35,000	8 60%
1995	35,000	8 80%
1996	40,000	9 00%
1997	45,000	9 00%
1998	50,000	9 10%
1999	50,000	9 20%
2000	55,000	9 25%
2001	65,000	9.25%
2002	70,000	9 25%
2003	75,000	9 25%
2004	85,000	9.25%
2005	90,000	9.35%
2006	100,000	9 35%
2007	110,000	9 35%
2008	125,000	9.35%
	<u>\$ 1,130,000</u>	

NOTE 4 - PROPERTY TAX ALLOCATIONS

The 1989-90 tax rate applicable to the redevelopment project area is \$.129328 per \$100 of incremental secured taxable value reported by the Monterey County Auditor-Controller. This rate is thus applied to the incremental growth in assessed value within the Agency over the assessed value in the base year, subject to such modifying formulas as are applicable

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS ACCOUNT GROUP

A summary of changes in general fixed assets is as follows

	<u>Balance</u> <u>July 1, 1989</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1990</u>
Land	\$ 240,087	\$ -	\$ -	\$ 240,087
Buildings		550,089		550,089
Equipment	28,872			28,872
Total General Fixed Assets	<u>\$ 268,959</u>	<u>\$ 550,089</u>	<u>\$ -</u>	<u>\$ 819,048</u>

REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD
NOTES TO FINANCIAL STATEMENTS
 June 30, 1990

NOTE 6 - CHANGES IN GENERAL LONG-TERM DEBT ACCOUNT GROUP

The following is a summary of General Long-Term Debt group transactions for the year ended June 30, 1990

	City of Soledad Sewer Fund Loan	Redevelopment Property Tax Increment Bond	<u>Total</u>
Beginning balance, July 1, 1989	\$ 100,000	\$ 1,150,000	\$ 1,250,000
Principal repayment		(20,000)	(20,000)
Prior year adjustment	<u>(100,000)</u>		<u>(100,000)</u>
Ending balance, June 30, 1990	<u>\$ -</u>	<u>\$ 1,130,000</u>	<u>\$ 1,130,000</u>

NOTE 7 - CONTINGENT LIABILITIES

No contingent liabilities are outstanding as of June 30, 1990 according to the Agency's staff

NOTE 8 - PRIOR YEAR ADJUSTMENT

The prior year adjustment of \$100,000 is a result of reclassifying the loan due the City of Soledad's sewer fund from the long-term debt account group to the Redevelopment Agency's special revenue fund

REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
 June 30, 1990

	<u>Redevelopment</u>	<u>Low/Moderate Income Housing</u>	<u>Totals</u>
<u>Assets</u>			
Cash	\$ 496,501	\$ 92,254	\$ 588,755
Restricted assets - cash	323,127	80,781	403,908
Interest receivable	<u>10,133</u>	<u>1,298</u>	<u>11,431</u>
Total assets	<u>\$ 829,761</u>	<u>\$ 174,333</u>	<u>\$1,004,094</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Vouchers payable	\$ 59,565	\$ -	\$ 59,565
Due to City of Soledad	<u>279,952</u>	<u> </u>	<u>279,952</u>
Total liabilities	<u>339,517</u>	<u> </u>	<u>339,517</u>
<u>Fund Balances</u>			
Reserved	323,127	80,781	403,908
Undesignated	<u>167,117</u>	<u>93,552</u>	<u>260,669</u>
Total fund balances	<u>490,244</u>	<u>174,333</u>	<u>664,577</u>
Total liabilities and fund balances	<u>\$ 829,761</u>	<u>\$ 174,333</u>	<u>\$1,004,094</u>

REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 1990

	<u>Redevelopment</u>	<u>Low/Moderate Income Housing</u>	<u>Totals</u>
Revenues			
Property taxes	\$ 282,704	\$ 70,676	\$ 353,380
Interest	<u>67,635</u>	<u>11,572</u>	<u>79,207</u>
Total revenues	<u>350,339</u>	<u>82,248</u>	<u>432,587</u>
Expenditures			
Salary & wages	51,122		51,122
Benefits	12,934		12,934
Travel and meetings	50		50
Office	4,052		4,052
Professional and technical services	15,395	2,995	18,390
Audit	4,000		4,000
Capital outlay	550,089		550,089
Debt service	<u>105,146</u>	<u>24,786</u>	<u>129,932</u>
Total expenditures	<u>742,788</u>	<u>27,781</u>	<u>770,569</u>
Excess (deficiency) of revenues over expenditures	(392,449)	54,467	(337,982)
Fund balances - July 1, 1989	982,693	119,866	1,102,559
Prior year adjustment - reclassify loan	<u>(100,000)</u>		<u>(100,000)</u>
Fund balances - June 30, 1990	<u>\$ 490,244</u>	<u>\$ 174,333</u>	<u>\$ 664,577</u>