

REDEVELOPMENT AGENCY

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

sustainability • economic prosperity • quality of life • livable communities

CITY OF
VENTURA
CALIFORNIA

SHARON DEMELE



REDEVELOPMENT AGENCY

ANNUAL
FINANCIAL
REPORT

YEAR ENDED JUNE 30, 2009

Redevelopment Agency of the City of San Buenaventura
Basic Financial Statements
For the year ended June 30, 2009

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November 25, 2009

Redevelopment Agency Members and the Citizens of the City of San Buenaventura:

We are pleased to submit the Annual Financial Statements of the Redevelopment Agency of the City of San Buenaventura (Agency) for the fiscal year ended June 30, 2009.

Agency Accomplishments in Fiscal Year 2008-2009

As a critical element of the City's Economic Development Strategy, the Agency continued its work to further the Downtown Redevelopment Project Area's renaissance into a healthy, vibrant 24-7 community. In March 2007, the City officially adopted a new Downtown Specific Plan titled "AuthentiCity". The plan guides the agency's work and sets a strategy for continued progress over the next 10 years, emphasizing Ventura's history, culture, and unique character to make Downtown the city's authentic heart of community and commerce.

Over the past 12 months, two significant projects have been catalytic for Downtown's renaissance. A new 21,000 square foot office building on 60 California Street was completed and the owner is actively recruiting new tenants. This project is envisioned as the first of several to enhance the Downtown's daytime population and create a vibrant "around the clock" center of business and community activity.

The second project, Working Artists Ventura (WAV), is scheduled for completion in December 2009. The WAV is a \$57 million state-of-the-art community designed for artists and creative businesses, and also includes supportive/transitional housing for homeless -- all built to the highest standards of green building technology. The WAV has 54 affordable live/work lofts for the artist community, commercial space specifically tailored to complement artists, and 15 supportive housing units for transitional homeless families and individuals from Ventura County.

The Agency remains in several exclusive negotiations with adjoining property owners for various mixed-use projects throughout Downtown, including California and Main, 42 Chestnut and Oak Street. Although the projects are moving slowly due to economic times, each can further the Agency's goals to infill and redevelop underutilized downtown properties.

The Agency, as Downtown property owner, voted affirmatively to form a Property Based Improvement District to be administered by the newly formed Downtown Ventura Partners (DVP), and thereby create a cash flow for the maintenance and enhancement of Downtown. In partnership with the DVP, the Agency will continue to implement a Downtown retail/office strategy to strengthen and diversify the area's economic base.

The Agency also focused on “catalytic projects” to reinvigorate the Beachfront Promenade. For example, the acquisition of the Harbor Boulevard parking garage by the City/Agency was a key element to further a future master planned development opportunity known as “Edgewater”. This project in turn, may spark an envisioned 101 Freeway Capping project. Although an incredibly complex undertaking, a 101 Freeway Capping project -- with CalTrans’ and potential Federal cooperation -- would achieve a number of the City’s economic development goals, including linking a thriving Downtown with a picturesque Beachfront Promenade, tying transit connections to a multi-modal center, activating the pier and promenade with new recreational and retail uses, and relocating the California Street off ramp to better serve the Downtown Redevelopment Project Area.

The Agency’s principle goal is to further create a “Ventura Main Street” that will position Downtown as the City’s community, entertainment and commerce center, a premier place to live, work, and play.

BASIS OF ACCOUNTING AND FUND GROUPINGS

The accounting records of the Agency are maintained on the modified accrual basis of accounting. The modified accrual basis of accounting is defined as the basis of accounting which expenditures, other than accrued interest on general long-term debt, are reported at the time liabilities are incurred and revenues are recorded when received in cash, except for measurable and available revenues which are accrued to properly reflect taxes levied and revenues earned. The Agency maintains funds in accordance with generally accepted accounting principles set forth by the Governmental Accounting Standards Board (GASB) and other rule-making entities.

The following fund types are maintained by the Agency:

- Debt Service Fund for the repayment of principal and interest on Agency long-term debt.
- Capital Projects Fund to account for the resources available to acquire land, and make improvements thereon, for eventual resale and redevelopment.

The financial section of this report has been prepared to show the results of the financial administration, financial condition, and operation of the Agency. This report includes the financial statements for all funds.

FINANCIAL HIGHLIGHTS

Tax Increment Revenue

Downtown Redevelopment Project Area tax increment revenue decreased 7.9% in fiscal year 2008-2009. The decrease in revenue occurred due to on-going calculations associated with AB1389 and the Supplemental Educational Revenue Augmentation Fund (SERAF).

In spite of the economic downturn, continued revitalization efforts have included new housing entitlements and significant new ownership transfers of downtown commercial properties. In turn, these projects will stimulate private reinvestment, property renovation, retail sales growth, and increased tourism. The ultimate outcome will be increased tax increment revenue.

The following compares the fiscal year 2008-2009 tax increments receipts with the four previous years:

Valuation Year	2004	2005	2006	2007	2008
Fiscal Year Receipt	04-05	05-06	06-07	07-08	08-09
Total for the Year	\$2,463,949	\$2,686,766	\$2,988,728	\$3,527,287	\$3,584,809*

* Even though property values increased the tax increment revenue is lower due to the on-going calculations associated with AB1389 and the Supplemental Educational Revenue Augmentation Fund (SERAF)

General Long-Term Debt

On September 22, 2008, the Agency approved a Financing Plan that included the issuance of 2008 Tax Allocation Bonds with the net proceeds repaying a portion of the Agency’s obligations to the City under their Cooperative Agreement and Line of Credit.

In December 2008, the Agency issued \$8,785,000 in Tax Allocation Bonds to provide funds to (1) repay certain advances made by the City of San Buenaventura to the Agency; (2) fund a Reserve Account for the Bonds; and (3) pay costs of issuance of the Bonds. In FY 08-09, a debt service principal and interest payment in the amount of \$514,714, was made on the existing 2003 tax allocation bond. The outstanding balance of the 2003 tax allocation bond as of June 30, 2009, was \$6,805,000. Principal payments on the 2008 tax allocation bond will begin FY 09-10. The outstanding long-term debt balance of \$17,090,000 (as of June 30, 2009) also included a \$1.5 million CalHFA HELP loan. The outstanding Line of Credit balance with the City at June 30, 2009 was \$7,066,172.

For the current fiscal year, the ratio of tax increment revenues to maximum annual debt service was 1.89. The ratio is calculated by dividing the non-housing tax increment revenue, after deduction of property tax administration and pass through payments, by the maximum annual debt service on the tax allocation bonds.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors, and investors, with a general overview of the Agency’s finances and to show the City’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jay Panzica, Chief Financial Officer, P.O. Box 99, Ventura, California 93002-0099, (805) 654-7812, or via e-mail at jpanzica@cityofventura.net.

If you have questions regarding Agency programs, contact Jeffrey Lambert, Community Development Director, P.O. Box 99, Ventura, California, 93002-0099, (805) 658-4723, or via e-mail at jlambert@cityofventura.net.

Respectfully submitted:



Jeffrey Lambert
Community Development Director



Sidney L. White
Economic Development & Revitalization
Manager



REDEVELOPMENT AGENCY

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YEAR ENDED JUNE 30, 2009



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**INDEPENDENT
AUDITOR'S
REPORT**



MACIAS GINI & O'CONNELL LLP
Certified Public Accountants & Management Consultants

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SACRAMENTO

OAKLAND

WALNUT CREEK

NEWPORT BEACH

SAN DIEGO

The Board of Directors of the
Redevelopment Agency of the City of San Buenaventura

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Redevelopment Agency of the City of San Buenaventura (Agency), a component unit of the City of San Buenaventura, California for the year ended June 30, 2009 which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2009, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Agency has not presented the Management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying introductory section, major fund budgetary comparison schedule listed as supplementary information in the table of contents and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund budgetary comparison schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Macias Fini & O'Connell LLP

Certified Public Accountants

Los Angeles, California

November 25, 2009



REDEVELOPMENT AGENCY

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YEAR ENDED JUNE 30, 2009

**BASIC FINANCIAL
STATEMENTS**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Redevelopment Agency of the City of San Buenaventura
Statement of Net Assets
June 30, 2009

	Governmental Activities
ASSETS	
Current Assets:	
Cash and investments	\$ 3,297,228
Due from other governments	95,897
Due from others	29
Due from City	283,758
Assets held for resale	540,880
Total current assets	4,217,792
Noncurrent assets:	
Restricted cash and investments	1,379,768
Deferred charges	355,330
Notes receivable	4,041,414
Total noncurrent assets	5,776,512
Total assets	9,994,304
LIABILITIES	
Current Liabilities:	
Accounts payable	355,079
Interest payable	365,042
Due to other governments	136,622
Long term debt - due within one year	545,000
Total current liabilities	1,401,743
Noncurrent Liabilities:	
Advances from the City	7,066,172
Long term debt - due in more than one year	16,545,000
Total noncurrent liabilities	23,611,172
Total liabilities	25,012,915
NET ASSETS	
Restricted	
Low and Moderate Income Housing	3,467,867
Unrestricted (deficit)	(18,486,478)
Total net assets (deficit)	\$ (15,018,611)

See Accompanying Notes to Basic Financial Statements.

Redevelopment Agency of the City of San Buenaventura
Statement of Activities
For the year ended June 30, 2009

Functions / Programs	Governmental Activities	
	Expenses	Net (Expense) Revenue and Changes in Net Assets
Governmental activities:		
Community development	\$ 1,827,732	\$ (1,827,732)
Interest and fiscal charges	786,748	(786,748)
Total primary government	\$ 2,614,480	(2,614,480)
General revenues:		
Taxes and fees		3,584,809
Investment earnings		104,035
Miscellaneous		8,267
Total general revenues		3,697,111
Change in net assets		1,082,631
Net assets (deficit) - beginning of year		(16,101,242)
Net assets (deficit) - end of year		\$ (15,018,611)

See Accompanying Notes to Basic Financial Statements.



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FUND FINANCIAL STATEMENTS

Redevelopment Agency of the City of San Buenaventura
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds			Total Governmental Funds
	Debt Service	Merged Low and Moderate Income Housing Capital Projects	Merged Capital Projects	
ASSETS				
Cash and investments	\$ -	\$ 1,945,069	\$ 1,352,159	\$ 3,297,228
Restricted cash and investments	1,379,768	-	-	1,379,768
Due from other governments	-	19,179	76,718	95,897
Due from others	-	29	-	29
Due from City	-	283,758	-	283,758
Notes receivable	-	1,541,414	2,500,000	4,041,414
Assets held for resale	-	-	540,880	540,880
Total assets	\$ 1,379,768	\$ 3,789,449	\$ 4,469,757	\$ 9,638,974
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 184,960	\$ 170,119	\$ 355,079
Due to other governments	-	136,622	-	136,622
Total liabilities	-	321,582	170,119	491,701
Fund Balances:				
Reserved for:				
Encumbrances	-	-	176,626	176,626
Assets held for resale	-	-	540,880	540,880
Notes receivable	-	1,541,414	2,500,000	4,041,414
Debt service	1,379,768	-	-	1,379,768
Unreserved				
Undesignated	-	1,926,453	1,082,132	3,008,585
Total fund balances	1,379,768	3,467,867	4,299,638	9,147,273
Total liabilities and fund balances	\$ 1,379,768	\$ 3,789,449	\$ 4,469,757	\$ 9,638,974

See Accompanying Notes to Basic Financial Statements.

Redevelopment Agency of the City of San Buenaventura
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2009

Total Fund Balances - Total Governmental Funds	\$ 9,147,273
Amounts reported for governmental activities in the Statement of Net Assets were different because:	
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 Balance Sheet	(365,042)
Other assets used in governmental activities do not consume current financial resources and therefore are not reported in the governmental fund. Unamortized bond issuance	355,330
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet	<u>(24,156,172)</u>
Net Assets (Deficit) of Governmental Activities	<u><u>\$ (15,018,611)</u></u>

See Accompanying Notes to Basic Financial Statements.

Redevelopment Agency of the City of San Buenaventura
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2009

	Major Funds			Total Governmental Funds
	Debt Service	Merged Low and Moderate Income Housing Capital Projects	Merged Capital Projects	
REVENUES				
Taxes	\$ -	\$ 716,962	\$ 2,867,847	\$ 3,584,809
Intergovernmental	-	1,653	6,614	8,267
Use of money and property	18,057	47,945	38,033	104,035
Other	-	1,348	29,770	31,118
Total revenues	18,057	767,908	2,942,264	3,728,229
EXPENDITURES				
Personal services	-	28,006	29,913	57,919
Contractual service	-	137,828	539,262	677,090
Debt service:				
Principal retirement	8,330,595	-	-	8,330,595
Interest	654,969	12,421	107,514	774,904
Bond issuance costs	367,174	-	-	367,174
Pass-through payments	-	-	432,822	432,822
Other	-	184,000	251,386	435,386
Total expenditures	9,352,738	362,255	1,360,897	11,075,890
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,334,681)	405,653	1,581,367	(7,347,661)
OTHER FINANCING SOURCES (USES)				
Issuance of Tax allocation bonds	8,785,000	-	-	8,785,000
Advance from City	-	-	71,875	71,875
Transfers in	1,398,757	-	-	1,398,757
Transfers out	-	-	(1,398,757)	(1,398,757)
Total other financing sources (uses)	10,183,757	-	(1,326,882)	8,856,875
Net change in fund balances	849,076	405,653	254,485	1,509,214
FUND BALANCES				
Beginning of year	530,692	3,062,214	4,045,153	7,638,059
End of year	\$ 1,379,768	\$ 3,467,867	\$ 4,299,638	9,147,273

See Accompanying Notes to Basic Financial Statements.

Redevelopment Agency of the City of San Buenaventura
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Government-Wide Statement of Activities
For the year ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds	\$ 1,509,214
Amounts reported for governmental activities in the Statement of Activities are different because:	
Some expenses reported in the Statement of Activities did not require the use of current financial resources and therefore were not reported as expenditures in governmental funds. The following amount represented the change in accrued interest from the prior year.	(255,633)
Loan proceeds provided current financial resources to governmental funds, but incurring debt increased long-term liabilities in the Government-Wide Statement of Net Assets.	(8,785,000)
Proceeds of advances was an other financing source in governmental funds, but the advances increased long-term liabilities in the Government-Wide Statement of Net Assets.	(71,875)
Other assets used in governmental activities do not consume current financial resources and therefore are not reported in the governmental fund.	
Change in unamortized bond issuance costs	355,330
Repayment of bond principal and advances from the City were expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.	<u>8,330,595</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 1,082,631</u></u>

See Accompanying Notes to Basic Financial Statements.

Redevelopment Agency of the City of San Buenaventura

Notes to the Basic Financial Statements

For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Redevelopment Agency of the City of San Buenaventura, California, (Agency) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. 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 Agency's accounting policies are described below.

A. Description of Reporting Entity

The Agency is a blended component unit of the City of San Buenaventura (City). The City Manager acts as the Agency's Executive Director and the City Council acts as the governing board, which exerts significant influence over its operations. Accordingly, the financial operations of the Agency have also been included in the Comprehensive Annual Financial Report issued by the City of San Buenaventura.

The Agency was created by City Council Resolution No. 5260, adopted on August 28, 1961. The Agency Board members were appointed by the City Council. On February 23, 1972, by Ordinance No. 1709, the City Council disbanded the separate Agency Board and declared that Council Members would serve as the Agency Board. The Agency was established pursuant to the Community Development Law of the State of California as codified in Part I of Division 24 of the State of California Health and Safety Code. As such, the Agency acts as a legal entity, separate and distinct from the City, even though the City Council serves as the Agency's Board.

The actions of the Agency are binding and its appointed representatives routinely transact business, including the incurrence of long-term debt, in the Agency's name. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property in those areas of the City determined to be in a declining condition.

B. Basis of Accounting/Measurement Focus

The accounts of the Agency are organized on the basis of funds, 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.

Government - wide Financial Statements

The Agency's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental activities for the Agency. For the most part, the effect of Interfund activity has been removed from these statements.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets and liabilities, including long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then use unrestricted resources as they are needed.

Redevelopment Agency of the City of San Buenaventura
Notes to the Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting/Measurement Focus, Continued

Certain types of transactions are reported as program revenues for the Agency in three categories:

- ◆ Charges for services
- ◆ Operating grants and contributions
- ◆ Capital grants and contributions

The Agency does not have any program revenues at June 30, 2009.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net assets presented in the government-wide financial statements. The following is a list of major funds:

Debt Service Fund – To account for the accumulation of resources and payment of long-term debt principal and interest by the Redevelopment Agency.

Merged Low and Moderate Income Housing Capital Projects Fund - To account for the 20 percent set-aside of Project Tax increment for purposes of increasing, improving, and preserving the City of San Buenaventura's supply of low and moderate income housing.

Merged Capital Projects Fund – To account for the economic revitalization and redevelopment of the City through acquisition and development of City property determined to be in a declining condition.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Agency, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

C. Cash and Investments

The Agency pools its available cash with the City for investment purposes. The City considers pooled cash and investment amounts with original maturities of three months or less to be cash equivalents.

Redevelopment Agency of the City of San Buenaventura
Notes to the Basic Financial Statements
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash and Investments, Continued

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The Agency does not own specifically identifiable securities in the City Pool. See the City's basic financial statements for the year ended June 30, 2009, for additional disclosure on cash and investments.

D. Assets Held for Resale

Assets held for resale are carried at the lower of cost or the net realizable value, only determined upon the execution of a disposition and development agreement. An amount equal to the carrying value of land is reserved in fund balance.

E. Property Taxes

Property taxes are levied based on a fiscal year (July 1 – June 30). The property tax assessments are formally due on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Taxes become a lien on the property effective January 1 of the preceding year.

F. Fund Balances

In the governmental fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balances represent tentative management plans that are subject to change.

G. Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets. The Agency has no capital assets at June 30, 2009.

Restricted Net Assets – External creditors, grantors, contributors, or laws or regulations of other governments restrict this amount.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

Redevelopment Agency of the City of San Buenaventura
Notes to the Basic Financial Statements
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Budgetary Information

Through the budget, the Agency Board sets the direction of the Agency, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective use of the Agency's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from July 1 to June 30 and is a vehicle to accurately and openly communicate these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning. The budget provides resource planning and controls that permit the evaluation and adjustment of the Agency's performance.

The Agency follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. In May, the Executive Director submits to the Agency Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. In June, public hearings are conducted to obtain citizen comments.
- c. The budget is legally enacted through passage of a resolution.
- d. The Executive Director may authorize transfers of budget amounts within a fund; however, any transfers in excess of \$40,000 and any revisions that increase the total budgeted expenditures of any fund must be approved by the Agency Board. Expenditures may not legally exceed budgeted appropriations at the fund level without Agency Board approval.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted expenditures reported are as amended by supplemental appropriations of the Agency Board. Project-length financial plans, as well as annual budgets, are adopted for all capital project funds.

Redevelopment Agency of the City of San Buenaventura
Notes to the Basic Financial Statements
For the year ended June 30, 2009

2. CASH AND INVESTMENTS

A. Cash and Investments

The Agency's portion of available cash is not specifically identifiable, as it pools its available cash with the City for investment purposes. The City's investment policy, therefore, applies to the pooled investment portfolio of the City and the Redevelopment Agency, and encompasses all monies under the direct oversight of the Chief Financial Officer/Treasurer. Provisions on how bond/certificates of participation assets are invested, while directed by the City, are provided for within the trust indenture of each debt issue. The Trustee issues monthly reports on the investment activity and cash assets related to each debt issue and the assets from this reporting are included in the monthly Treasury Cash Management/Investment Report. The City's portfolio will not be invested in securities that mature more than five years from the date of purchase, with the sole exception that bond and financing "Reserve Funds" held with a Trustee may be invested in securities with maturities exceeding five years. To the extent practicable, maturity of such investments shall coincide with expected use of the reserve monies. The average life of the City's portfolio at June 30, 2009 was 2.4 years. The City's pool is unrated. See the City's basic financial statements for the year ended June 30, 2009, for additional disclosure on cash and investments. As of June 30, 2009, two investments were held by bond trustee: 1) \$522,450 was held in Dreyfus money market mutual fund; 2) \$857,318 was held in federated money market mutual fund. Both money market mutual funds were rated Aaa by Moody's and AAAM by S&P.

3. NOTES RECEIVABLE

At June 30, 2009, notes receivable consisted of the following:

	Balance			Balance
	7/1/2008	Additions	Deletions	6/30/2009
Disposition and development agreement - 1997	\$ 500,000	\$ -	\$ -	\$ 500,000
Homebuyer Assistance Program	2,500	22,600	(2,500)	22,600
CHFA HELP Program Loan	21,179	-	(2,365)	18,814
Working Artists Community	3,500,000	-	-	3,500,000
	\$ 4,023,679	\$ 22,600	\$ (4,865)	\$ 4,041,414

The Agency entered into a disposition and development agreement in October 1997 to loan \$500,000 to a limited liability company to construct certain improvements on property within the Agency's Downtown Redevelopment Project Area. The loan is secured by a deed of trust and bears no interest. The total amount is due in October of 2012; however, the note can be forgiven upon the occurrence of certain events. The outstanding amount due to the Agency as of June 30, 2009, was \$500,000.

The Agency entered into an agreement on September 13, 1999, to loan \$100,000 from the Low and Moderate Housing Set-Aside funds and applied it toward the City's Homebuyer Assistance Program. The outstanding amount due to the Agency as of June 30, 2009, was \$22,600.

Redevelopment Agency of the City of San Buenaventura
Notes to the Basic Financial Statements
For the year ended June 30, 2009

3. NOTES RECEIVABLE, Continued

The primary goal of CHFA help loan program is for rental rehabilitation or seismic improvements of multifamily housing units in designated target areas. The City provided three percent interest rate, fully amortizing loans for property rehabilitation to landlords for 15 to 30 years. Participating landlords agreed to fix maximum rents at Fair Market Rents established for the HUD Section 8 Program during the term of the HELP Loan. Eligible developments must be occupied by a minimum of 51 percent low-income households, adjusted for family size, as defined by HUD, at the initiation of negotiations between the landlord and the City. The outstanding amount as of June 30, 2009, was \$18,814. This program is no longer active except for existing loans.

The Agency entered into a construction agreement with WAV (Working Artists of Ventura) Apartments Partners on February 1, 2008, to acquire property and build affordable housing designed for artists. As part of this agreement, the Agency loaned WAV Apartment Partners \$2 million at five percent for construction with a term that expires on the earlier of March 1, 2012, or thirty days after the sale or transfer of the last unit. In addition, the Agency loaned proceeds from a CALHFA HELP loan of \$1.5 million to the WAV Apartments Partners at three percent simple interest for a term of 30 years (annual payments of \$75,889 commencing May 1, 2010).

4. ASSETS (LAND) HELD FOR RESALE

The amount recorded as assets held for resale and the corresponding fund balance reserved as of June 30, 2009, was \$540,880.

5. ADVANCES FROM THE CITY

The long-term advances consisted of the following:

	Balance 7/1/2008	Addition	Deletion	Balance 6/30/2009
Line of Credit	<u>\$ 15,069,892</u>	<u>\$ 71,875</u>	<u>\$ (8,075,595)</u>	<u>\$ 7,066,172</u>

The advances between the Agency and the City have been established through a cooperation agreement, first approved in 1980, describing the operation support provided to the Agency and the terms and conditions for repayment of City loans or advances. In June 1992 and May 1997, a restated and amended cooperation agreement was adopted for the purpose of restructuring the financial aspects of the relationship. In 2004, an amended cooperation agreement was adopted to establish predictable revenue stream into the General Fund and accumulation of project funds for the Agency.

Redevelopment Agency of the City of San Buenaventura

Notes to the Basic Financial Statements

For the year ended June 30, 2009

5. ADVANCES FROM THE CITY, Continued

The 2004 amended agreement calls for: (1) the Agency to reimburse the City with interest payments of \$500,000 to \$707,765 through May 15, 2009, beginning May 15, 2005 with interest accruing at five percent on the total amount of principal owed by the agency to the City beginning July 1, 2004; (2) the Agency to reimburse the City with principal installments of \$23,530 to \$554,315 through May 15, 2028, beginning May 15, 2009, and to reimburse the City with a principal installment of \$7,250,000 on June 30, 2009 through a new issuance of Tax Allocation Bonds; (3) in the event there is insufficient tax increment to make a debt payment, the Agency may request to defer that portion that cannot be paid in the current year to an upcoming year, any request shall be presented to City Council at a regular meeting, on or before June 30 of that year, and; (4) in the event the tax increments exceeds expenditures, including debt service and interest, the City and Agency agree to reconsider the debt schedule during the budget development to ensure that the accumulation of project funds does not adversely impact the General Fund.

The City may elect to re-loan funds to the Agency, on an as-needed basis, through a line of credit, as described in the agreement. The outstanding line of credit balance at June 30, 2009, was \$7,066,172.

6. TRANSFERS

During fiscal year 2008-2009, \$1,398,757 was transferred from the Agency Merged Capital Projects Funds to the Agency Debt Service Fund to meet debt service obligations.

7. LONG-TERM DEBT

The summary of changes in long-term debt for governmental activities for the year ended June 30, 2009, is as follows:

	Balance			Classification		
	July 1, 2008	Additions	Deletions	Balance June 30, 2009	Amounts Due Within One Year	Amounts Due in More than One Year
Governmental Activities:						
Tax Allocation Bonds - 2003	\$ 7,060,000	\$ -	\$ (255,000)	\$ 6,805,000	\$ 260,000	\$ 6,545,000
Tax Allocation Bonds - 2008	-	8,785,000	-	8,785,000	\$ 285,000	8,500,000
CalHFA HELP Loan - 2008	1,500,000	-	-	1,500,000	-	1,500,000
	\$ 8,560,000	\$ 8,785,000	\$ (255,000)	\$ 17,090,000	\$ 545,000	\$ 16,545,000

2003 Tax Allocation Bonds in the amount of \$8,000,000 were issued on June 1, 2003. The Bonds were issued to provide funds for: (1) repay certain advances made by the City of San Buenaventura to the Agency; (2) fund a Reserve Account for the Bonds; and (3) pay costs of issuance of the Bonds. The Bonds are due in annual principal installments of \$205,000 to \$495,000 through 2028. Interest rates range from 2.00 percent to 4.25 percent and debt service is payable semi-annually on February 1 and August 1. Funding sources for the repayment of debt are tax revenue allocated to the Agency from the project area. The total amount outstanding as of June 30, 2009, was \$6,805,000.

Redevelopment Agency of the City of San Buenaventura

Notes to the Basic Financial Statements

For the year ended June 30, 2009

7. LONG-TERM DEBT, Continued

The 2003 Tax allocation bonds are special obligations of the Agency, which are secured by an irrevocable pledge of tax revenues payable to the City of San Buenaventura. The principal and interest remaining on the bonds is \$9,704,531, payable through August 2028. For the current year, principal and interest and total incremental property tax revenues were \$514,714, and \$3,584,809 respectively.

2008 Tax Allocation Bonds in the amount of \$8,785,000 were issued on December 18, 2008. The Bonds were issued to provide funds to (1) repay certain advances made by the City of San Buenaventura to the Agency; (2) fund a Reserve Account for the Bonds; and (3) pay costs of issuance of the Bonds. The Bonds are due in annual principal installments of \$35,000 to \$695,000 through 2039. Interest rates range from 3.00 percent to 8.00 percent and is payable semi-annually on February 1 and August 1. Funding sources for the repayment are tax revenue allocated to the Agency from the project area. The total amount outstanding as of June 30, 2009, was \$8,785,000.

The 2008 Tax allocation bonds are special obligations of the Agency, which are secured by an irrevocable pledge of tax revenues payable to the City of San Buenaventura. The principal and interest remaining on the bonds is \$20,075,035, payable through August 2039. For the current year, principal payments have not started, only interest of \$74,988.

The Agency entered into a loan agreement on December 21, 2007 with the California Housing Finance Agency (CALHFA) to borrow \$1.5 million at a 3.5 percent interest rate for a term of 10 years for the WAV (Working Artists of Ventura) project. Payment of principal and all simple interest is due on the tenth anniversary of the agreement.

The annual debt service requirements for the 2003 Tax Allocation Bonds outstanding at June 30, 2009, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 260,000	\$ 253,595	\$ 513,595
2011	270,000	246,464	516,464
2012	275,000	238,457	513,457
2013	285,000	230,058	515,058
2014	290,000	221,070	511,070
2015-2019	1,610,000	944,766	2,554,766
2020-2024	1,950,000	602,666	2,552,666
2025-2029	1,865,000	162,456	2,027,456
Total	\$ 6,805,000	\$ 2,899,531	\$ 9,704,531

Redevelopment Agency of the City of San Buenaventura
Notes to the Basic Financial Statements
For the year ended June 30, 2009

7. LONG-TERM DEBT, Continued

The annual debt service requirements for the 2008 Tax Allocation Bonds outstanding at June 30, 2009, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 285,000	\$ 623,531	\$ 908,531
2011	35,000	618,513	653,513
2012	60,000	616,419	676,419
2013	90,000	612,931	702,931
2014	165,000	606,669	771,669
2015-2019	1,620,000	2,811,669	4,431,669
2020-2024	1,550,000	2,258,572	3,808,572
2025-2029	1,775,000	1,699,531	3,474,531
2030-2034	1,300,000	1,038,000	2,338,000
2035-2039	1,905,000	404,200	2,309,200
Total	<u><u>\$ 8,785,000</u></u>	<u><u>\$ 11,290,035</u></u>	<u><u>\$ 20,075,035</u></u>

8. SUBSEQUENT EVENT

A. SERAF

On July 24, 2009, the State Legislature passed Assembly Bill (AB) 26 4x, which requires redevelopment agencies statewide to deposit a total of \$2.05 billion of property tax increment in county "Supplemental" Educational Revenue Augmentation Funds (SERAF) to be distributed to meet the State's Proposition 98 obligations to schools. The SERAF revenue shift of \$2.05 billion will be made over two years, \$1.7 billion in fiscal year 2009-2010 and \$350 million in fiscal year 2010-2011. The SERAF would then be paid to school districts and the county offices of education which have students residing in redevelopment project areas, or residing in affordable housing projects financially assisted by a redevelopment agency, thereby relieving the State of payments to those schools. The Agency's share of this revenue shift is approximately \$1.15 million in fiscal year 2009-2010 and \$ 237 thousand in fiscal year 2010-2011. Payments are to be made by May 10 of each respective fiscal year. In response to AB 26 4x, the Agency intends to fund the SERAF payment due in May 2010 with the Low/Mod Housing Fund; and in May 2011 with tax increment.

The California Redevelopment Association (CRA) is the lead petitioner on a lawsuit to invalidate AB 26 4x, similar to last year's successful lawsuit challenging the constitutionality of AB 1389. CRA filed the lawsuit on October 20, 2009. The lawsuit asserted that the transfer of property tax increment to the SERAF is not permitted under Article XVI, Section 16 of the California Constitution. The complaint also asserted impairment of contract and gift of public funds arguments. While the State made adjustments in AB 26 4x to address the constitutional issues raised by the Superior Court over last year's lawsuit challenging AB 1389, the Agency, along with the CRA and other California redevelopment agencies, believe that the SERAF remains unconstitutional.

SUPPLEMENTARY INFORMATION

Redevelopment Agency of the City of San Buenaventura
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Debt Service Fund
For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance, July 1	\$ 530,692	\$ 530,692	\$ 530,692	\$ -
Resources (inflows):				
Use of money and property	20,100	20,100	18,057	(2,043)
Issuance of Tax allocation bonds	-	-	8,785,000	8,785,000
Transfers from other funds	499,114	499,114	1,398,757	899,643
Amount available for appropriations	519,214	519,214	10,201,814	9,682,600
Charges to appropriations (outflows):				
Debt service:				
Principal retirement	255,000	255,000	8,330,595	(8,075,595)
Interest and other charges	264,214	264,214	654,969	(390,755)
Bond issuance costs	-	-	367,174	(367,174)
Total charges to appropriations	519,214	519,214	9,352,738	(8,833,524)
Excess of resources over (under) charges to appropriations	-	-	849,076	849,076
Fund balance, June 30	\$ 530,692	\$ 530,692	\$ 1,379,768	\$ 849,076



REDEVELOPMENT AGENCY

ANNUAL
FINANCIAL
REPORT

YEAR ENDED JUNE 30, 2009

**STATISTICAL
INFORMATION**

San Buenaventura Redevelopment Agency
Annual Continuing Disclosure Requirements
\$8,000,000 2003 Tax Allocation Bonds and \$8,785,000 2008 Tax Allocation Bonds
For the year ended June 30, 2009

Merged San Buenaventura Redevelopment Project Historical Assessed Valuation and Tax Increment Revenue								
Fiscal Year	Assessed Valuation	Incremental Assessed Valuation	Gross Tax Increment	County Admin. Charge 0.25%	Payments to Taxing Entities	Housing Set-Aside	Tax Revenues	Percentage of Increase in Tax Revenues
1999-00	\$189,811,903	\$106,366,448	\$1,355,666	\$3,389	\$44,466	\$271,133	\$1,036,678	40.79%
2000-01	196,604,171	113,112,179	1,237,305	3,093	47,856	246,138	940,218	-9.30%
2001-02	218,510,923	134,989,659	1,536,024	3,840	76,624	306,186	1,149,374	22.25%
2002-03	236,160,038	152,579,909	1,636,510	4,091	98,335	329,644	1,204,440	4.79%
2003-04	259,373,166	182,124,453	1,935,314	4,838	152,509	387,063	1,390,904	15.48%
2004-05	291,161,189	213,912,476	2,463,949	6,160	203,214	492,790	1,761,785	26.66%
2005-06	327,214,684	249,965,971	2,686,766	6,717	175,971	537,353	1,966,725	11.63%
2006-07	359,820,521	282,571,808	2,988,729	7,472	264,938	597,745	2,118,574	7.72%
2007-08	406,483,409	329,234,696	3,527,287	8,818	370,395	705,457	2,442,617	15.30%
2008-09 ⁽¹⁾	423,435,780	339,554,008	3,584,809	8,962	452,859	716,962	2,406,026	-1.50%

Debt Service Coverage Statement

Calculation of the ratio of Tax Increment Revenues available to pay debt service on the Bonds to Maximum Annual Debt Service using Tax Increment Revenues for FY 2008-09

- Maximum annual debt service (FY 2010-11) is \$1,191,464
- 2008-09 Tax Increment Revenue is \$3,584,809
- Debt service coverage is: 2.02%

⁽¹⁾ FY2008-2009 Due to on-going AB 1389 calculations and concurrence with County of Ventura Auditor-Controller's Office, the following items are estimates until computations are finalized: Incremental Assessed Valuation, Gross Tax Increment, Payments to Taxing Entities and Tax Revenues.

San Buenaventura Redevelopment Agency
Annual Continuing Disclosure Requirements, Continued
\$8,000,000 2003 Tax Allocation Bonds
For the year ended June 30, 2009

Merged San Buenaventura Redevelopment Project
Top Ten Taxable Secured Taxpayers
Based Upon 2008-09 Assessed Valuation

Property Owner	Land Use	Fiscal Year 2008-09 Secured Assessed Value	Parcels	Percentage of Total ⁽¹⁾
Ventura Beach Ventures LLC	Hotel	28,658,758	1	6.77%
Lost Arrow Corp.	Office	13,125,189	7	3.10%
Pacific Prime Properties	Apartments	9,966,807	1	2.35%
Ventura Inn LLC	Motel	7,847,549	1	1.85%
Ventura Properties Lessor	Apartments	7,685,192	3	1.81%
Mission Plaza LLC	Shopping Center	7,283,838	5	1.72%
Matilija Investment Prop LLC	Office/Retail	7,164,637	2	1.69%
Ventura Terrace	Apartments/ Office	5,794,044	6	1.37%
Ventura BW Inn LLC	Motel	5,466,284	1	1.29%
Ventura Multi-Cinema Lessor	Movie Theaters	5,191,867	1	1.23%
Total		\$98,184,165	28	23.19%

¹ Fiscal Year 2008-2009 total assessed valuation: \$423,435,780

Source: County of Ventura Tax Rolls



REDEVELOPMENT AGENCY

ANNUAL
FINANCIAL
REPORT

YEAR ENDED JUNE 30, 2009

**INDEPENDENT
AUDITOR'S REPORT
ON COMPLIANCE**



MACIAS GINI & O'CONNELL LLP
Certified Public Accountants & Management Consultants

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SACRAMENTO

OAKLAND

WALNUT CREEK

NEWPORT BEACH

SAN DIEGO

The Board of Directors of the
Redevelopment Agency of the City of San Buenaventura

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance (Including the Provisions Contained in the Guidelines for Compliance Audits of Redevelopment Agencies) and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

We have audited the financial statements of the governmental activities and each major fund of the Redevelopment Agency of the City of San Buenaventura (Agency), a component unit of the City of San Buenaventura, California as of and for the year ended June 30, 2009, which collectively comprise the Agency's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Agency's financial statements that is more than inconsequential will not be prevented or detected by the Agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Agency's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the basic financial statements of the Agency are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws and regulations identified in the Guidelines for Compliance Audits of California Redevelopment Agencies issued by the State Controller's Office, Division of Accounting and Reporting. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted separate matters affecting the City and/or Agency that we reported to management of the City in a separate letter.

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

Macias Fini & O'Connell LLP

Certified Public Accountants

Los Angeles, California

November 25, 2009

Redevelopment Agency of the City of San Buenaventura
Status of Prior Year Findings and Recommendations
For the year ended June 30, 2009

Findings related to the financial statements:

Finding 08-01 Community Development Project Involving the Sale of Property Held for Resale and Related to Loans/Notes Receivable and Payable

Comment:

A project approved by the City Council as the governing board of the RDA in January 2008, involved the sale of land held for resale and the execution of loan agreements for loans receivable from the project developer and loans payable to the State of California and the City of Ventura. The original transactions were recorded based primarily on unwritten statements from the City Community Development Department.

A review of the documents, which were provided to the Finance Department in a piecemeal fashion through December 2008, indicated that the activity recorded in relation to the identity and value of the land sold and the various funding sources and uses in relation to the loan agreements were different than the activity that had been reported to the accounting staff and then recorded.

The number of discrepancies and the timing of discovery because of the piecemeal fashion, resulted in the Agency having to 1) make several adjustments to the general ledger, and 2) prepare multiple revised drafts of Agency financial statements.

Recommendation:

On an ongoing basis, City staff should inform the accounting division of important transactions as they occur and provide formal documentation to ensure that related financial activity is recorded to base on evidentiary matter.

Status of Corrective Action:

The accounting division is informed of all important transactions as they occur and are provided formal documentation to ensure that related financial activity is recorded. Auditor did not note any related findings for fiscal year ended 2009.



CITY OF
VENTURA
CALIFORNIA

In compliance with the Americans with Disabilities Act, this document is available in alternate formats by contacting the Finance & Technology Department at 805/658-4787 or 805/654-7804 or by contacting the California Relay Service. 