

# SPECIAL MEETING AGENDA

City of El Cajon

Successor Agency – Oversight Board

8:00 a.m., Thursday, November 8, 2012

## BOARD MEMBERS:

### **SAHAR ABUSHABAN**

*Chancellor of the California  
Community Colleges  
Representative*

### **SCOTT BUXBAUM**

*County Board of Education  
Representative*

### **GLORIA CHADWICK**

*Grossmont Healthcare District  
Representative*

### **JIM GRIFFIN**

*County Board of Supervisors  
Representative*

### **MICHAEL GRIFFITHS**

*City of El Cajon*

### **MANJEET RANU**

*(Former RDA/MMPEG Employee)  
City of El Cajon*

### **DEBRA TURNER-EMERSON**

*County Board of Supervisors  
Representative*

### **LEGAL COUNSEL MEYERS NAVE**

## SUCCESSOR AGENCY STAFF:

### **DOUGLAS WILLIFORD**

*Executive Director/  
City Manager*

### **MORGAN FOLEY**

*General Counsel*

### **MELISSA AYRES**

*OB Secretary / Director, Community  
Development  
Department*

### **JENNY FICACCI**

*Housing Manager*

### **HOLLY REED-FALK**

*Financial Operations Manager*

### **VICTORIA DANGANAN**

*Senior Accountant*

### **RON LUIS VALLES**

*Administrative Secretary*

**Meeting Location: El Cajon Police Station**

**Community Room #161**

**100 Civic Center Way, El Cajon, CA 92020**

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE:

II. ROLL CALL:

III. AGENDA CHANGES:

IV. PUBLIC COMMENT: (This is the opportunity for a member of the public to address the Oversight Board on any item of business within the jurisdiction of the Board that is not on the agenda. Under State law no action can be taken on items brought forward under Public Comment, except to refer the item to the staff for administrative action or to place it on a future agenda.)

V. ACTION ITEMS:

1. Action Minutes – October 11, 2012, special meeting
2. Due Diligence Review Report – All Other Fund And Account Balances

VI. OTHER ITEMS FOR CONSIDERATION:

VII. STAFF COMMUNICATIONS:

VIII. BOARD REPORTS/COMMENTS:

IX. ADJOURNMENT:

**We endeavor to be in total compliance with the Americans with Disabilities Act. If you require assistance or auxiliary aids in order to participate at Oversight Board meetings, please contact staff at (619) 441-1741 as far in advance of the meeting as possible.**





# SUMMARY MINUTES

City of El Cajon

Successor Agency – Oversight Board

Special Meeting - Thursday, October 11, 2012

El Cajon Police Station Community Room #161

100 Civic Center Way, El Cajon, CA 92020

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**BOARD PRESENT:** Sahar Abushaban, Scott Buxbaum, Gloria Chadwick, Jim Griffin, and Debra Turner-Emerson (Chair)

**BOARD ABSENT:** Michael Griffiths and Manjeet Ranu

**LEGAL COUNSEL:** George H. Eiser III, Meyers Nave

**STAFF PRESENT:** Melissa Ayres, Jenny Ficacci, Holly Reed-Falk, Victoria Danganan, and Ron Luis Valles

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**CALL TO ORDER AND PLEDGE OF ALLEGIANCE:**

The meeting was called to order at 8:00 a.m. by TURNER-EMERSON.

**PUBLIC COMMENT:**

No public comment. No member of the public was present.

**ACTION ITEM NO. 1: APPROVAL OF SUMMARY MINUTES – October 4, 2012.**

GRIFFIN made a motion, seconded by CHADWICK, to approve the minutes of the special meeting of October 4, 2012. **Motion carried 3-0 (GRIFFITHS AND RANU – absent; ABUSHABAN and TURNER-EMERSON, abstained due to absence at October 4<sup>th</sup> meeting).** *[Legal Counsel noted that a majority of a quorum vote is okay as approval of minutes is considered a procedural matter, as opposed to more substantive actions, such as approval of an ROPS.]*

**ACTION ITEM No. 2: DUE DILIGENCE REVIEW – LOW- AND MODERATE-INCOME HOUSING FUND**

FICACCI summarized the staff report. She reported that as of yesterday, staff received communication from the Department of Finance disputing three items on our ROPS through June, 2013. They are line items 31, 33 and 35 and they relate to project management costs with the Weiland Birchwood Lane enforceable obligations, the

Chambers Senior Residences enforceable obligations, and Greenovation program enforceable obligations. A meeting is being requested with the Department of Finance. Any report with changes or costs will be brought to the Oversight Board. She noted that these items total \$124,934.

GRIFFIN made a motion, seconded by ABUSHABAN, to adopt Resolution No. OB-06-12 approving the attached Due Diligence Review report for the Low- and Moderate-Income Housing Fund ("Report"), with such changes as may be directed by the Board.  
**Motion carried 5-0 (GRIFFITHS AND RANU – absent).**

CHADWICK made a motion, seconded by GRIFFIN, to adopt Resolution No. OB-06-12 authorizing transmission of the Report to the Department of Finance (DOF), County Auditor-Controller (CAC), State Controller's Office (SCO) and required regulatory agencies by October 15, 2012.  
**Motion carried 5-0 (GRIFFITHS AND RANU – absent).**

GRIFFIN made a motion, seconded by BUXBAUM, to adopt Resolution No. OB-06-12 authorizing remittance of \$1,336,712.00 to the County Auditor-Controller for disbursement to affected taxing entities within five (5) business days of the DOF approval of the Report.  
**Motion carried 5-0 (GRIFFITHS AND RANU – absent).**

### **ACTION ITEM No. 3: DOMENICO DONATO (MANGIA BENE) – GROUND LEASE – REQUEST FOR REDUCED BACK RENT**

AYRES summarized the staff report. She recommended that the Oversight Board adopt the proposed resolution.

GRIFFIN asked if there was any discussion at the Successor Agency about this action being precedent-setting as there are other restaurants that might request a similar arrangement. AYRES replied it was not an issue as the others are paid in full.

GRIFFIN made a motion, seconded by ABUSHABAN, to adopt Resolution No. OB-07-12 approving the reduced back rent in the amount of \$2,100.00 with 52% to be paid to Successor Agency and 48% paid to the City of El Cajon.  
**Motion carried 5-0 (GRIFFITHS AND RANU – absent).**

### **ACTION ITEM No. 4: PROPOSED 2013 CALENDAR DATES**

AYRES presented the proposed meeting dates for the 2013 Oversight Board meeting.

CHADWICK made a motion, seconded by GRIFFIN, to adopt the proposed calendar for 2013 Oversight Board meeting dates that will be held at 8 a.m. on the third Wednesday of every month, except for the month of April that will take place on the third Thursday, April 18, 2013. **Motion carried 5-0 (GRIFFITHS AND RANU – absent).**

**STAFF COMMUNICATIONS:**

AYRES distributed a calendar of available meeting dates in the Community Room for October and November, and informed the board of the possible need for an additional meeting in late October or early November to accept comment for the second Due Diligence Review, with action being taken on November 21, 2012. FICACCI noted that the auditors will be at the City the week of November 5, and would be available to attend the meeting. Board members were polled and the consensus was to have a special meeting on Thursday, November 8, 2012, at 8:00 a.m. in the Police Station Community Room. (ABUSHABAN, CHADWICK and BUXBAUM will be absent.) The regularly-scheduled meeting set for October 17, 2012 was cancelled. The Board will meet again for its regularly-scheduled meeting at 8:00 a.m., on Wednesday, November 21, 2012.

AYRES noted that City staff has been working on a draft Asset Management Plan, which includes very detailed plans, maps of the properties, and enforceable obligations with staff's recommendations. She noted that it will go before the Successor Agency for action at its November 13, 2012, meeting, and then to the Oversight Board.

CHADWICK referenced a recent conference she attended, and noted that other agencies could purchase the property at the current value. EISER said that it is possible to transfer property to another public entity, but believes it must be fair market value.

**BOARD REPORTS/COMMENTS:**

No report.

**ADJOURNMENT:**

GRIFFIN made a motion, seconded by BUXBAUM, to adjourn the special meeting of the El Cajon Successor Agency Oversight Board at 8:24 a.m. this 11<sup>th</sup> day of October, 2012, until a special meeting on Thursday, November 8, 2012, at 8:00 a.m. in the Police Station's Community Room, 100 Civic Center Way, El Cajon, California.

**Motion carried 5-0 (GRIFFITHS AND RANU – absent).**

APPROVED:

\_\_\_\_\_  
Debra Turner-Emerson, Chairperson

ATTEST:

\_\_\_\_\_  
Melissa Ayres, Oversight Board Secretary

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**SPECIAL MEETING AGENDA REPORT  
CITY OF EL CAJON SUCCESSOR AGENCY OVERSIGHT BOARD  
November 8, 2012, Meeting**

**SUBJECT: DUE DILIGENCE REVIEW REPORT – ALL OTHER FUND AND ACCOUNT BALANCES**

**RECOMMENDED ACTION:** That the Oversight Board:

1. Review the attached Due Diligence Review report for all other fund and account balances (All Other Funds);
2. Accept public comment and input;
3. Provide direction to staff that will lead to approval and transmission of the report to the Department of Finance (DOF), County Auditor-Controller (CAC), State Controller's Office (SCO) and required regulatory agencies.

**BACKGROUND:**

Effective June 27, 2012, Assembly Bill 1484 amended the Health and Safety Code (H&SC) adding Section 34179.5 which requires all successor agencies to hire a licensed public accountant to conduct two due diligence reviews to determine the unobligated fund and account balances, specifically the amount of cash and cash equivalents, available for allocation to the taxing entities. The accountant used must be approved by the County Auditor-Controller and such approval was obtained on September 5, 2012, for Rogers, Anderson, Malody & Scott, LLP (RAMS), a Certified Public Accountant firm with experience and expertise in local government accounting who has provided accounting/auditing services to the City and former redevelopment agency since 2007.

The deadlines for all of the other fund and account balances (All Other Funds) review are as follows:

1. By December 15, 2012, Successor Agency must provide to the Oversight Board, SCO and the DOF the results of the review pursuant to Section 34179.5;
2. By January 15, 2013, the Oversight Board shall review, approve and transmit to the DOF and CAC results of the review;
3. By April 1, 2013, DOF must review and take action for all other funds and accounts and notify the Oversight Board and Successor Agency of its decision to overturn any actions;
4. Within five (5) business days of the DOF review, the Successor Agency may request to "meet and confer" with DOF about its approval and/or disapproval of matters in the due diligence report;
5. The DOF shall either confirm or modify its determinations and decisions within 30 days of the request to meet and confer;

6. Funds determined due by the DOF must be transmitted to the County Auditor-Controller within five (5) working days upon receipt of DOF notification or the “meet and confer” determination, whichever is later.

Upon receipt of the auditor’s report, the Oversight Board shall convene a public comment session to take place at least five (5) business days before the oversight board takes action on the report.

The attached Due Diligence Review report dated October 18, 2012, was distributed on November 2, 2012, and will be before the Oversight Board on November 21, 2012, for action. This report accounts for the total dollar value of assets transferred to and held in All Other Funds as of June 30, 2012. The review procedures provided in H&SC Section 34179.5 include identifying those assets that are legally restricted as to purpose; assets that are not cash and cash equivalents; and assets that are encumbered and restricted to satisfy enforceable obligations. These assets are added to and/or deducted from the total asset amount held in All Other Funds to calculate the cash and cash equivalent balances available for allocation to taxing entities. This calculation is presented in detail in the “Summary of Balances Available for Allocation to Affected Taxing Entities – Successor Agency Funds” (Attachment 10) in the attached Due Diligence Review report.

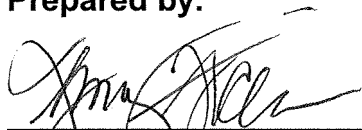
**FISCAL IMPACT:**

No fiscal impact at this time. This meeting is to review the Due Diligence Review report for All Other Funds and to accept public comment. The Board will be asked to approve the report at the November 21, 2012, Oversight Board meeting and authorize the remittance of \$1,012,654 in All Other Funds monies to the County Auditor-Controller for distribution to affected taxing entities.

**ATTACHMENTS:**

1. Due Diligence Review report dated October 18, 2012

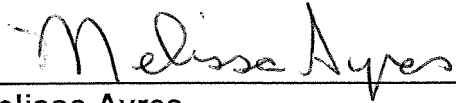
**Prepared by:**



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**Jenny Ficacci,  
Housing Manager**

Reviewed by:



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Melissa Ayres,  
Community Development Director

Approved by:



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Douglas Williford  
Executive Director/City Manager



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Pursuant to the Redevelopment Agency Trailer Bill  
AB 1484 of 2012

***Successor Agency of the El Cajon  
Redevelopment Agency***

Independent Accountant's Report on  
Applying Agreed-upon Procedures

**Successor Agency of the El Cajon  
Redevelopment Agency  
Due Diligence Review AB1484**

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ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100  
San Bernardino, CA 92408  
909 889 0871 T  
909 889 5361 F  
ramscpa.net

Oversight Board of the Successor Agency of the  
El Cajon Redevelopment Agency  
200 Civic Center Way  
El Cajon, CA 92020

***Independent Accountant's Report  
on Applying Agreed-upon Procedures***

**PARTNERS**

Brenda L. Odle, CPA, MST  
Terry P. Shea, CPA  
Kirk A. Franks, CPA  
Matthew B. Wilson, CPA, MSA  
Scott W. Manno, CPA  
Leena Shanbhag, CPA, MST  
Jay H. Zercher, CPA (Retired)  
Phillip H. Waller, CPA (Retired)

**MANAGERS / STAFF**

Nancy O'Rafferty, CPA, MBA  
Bradferd A. Welebir, CPA, MBA  
Jenny Liu, CPA, MST  
Katie L. Millsom, CPA  
Papa Matar Thiaw, CPA, MBA  
Maya S. Ivanova, CPA, MBA  
Danielle E. Odgers, CPA  
William C. Clayton, CPA  
Peter E. Murray, CPA  
Genivive Schwarzkopf, CPA  
Megan Hackney, CPA  
Seong-Hyea Lee, CPA, MBA  
Charles De Simon, CPA

We have performed the minimum required agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, the State of California Department of Finance (Agencies) and the Successor Agency of the El Cajon Redevelopment Agency (Successor Agency) solely to assist them in ensuring that the dissolved redevelopment agency is complying with its statutory requirements with respect to AB1484 (Health and Safety §34179.5(a)). Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety §34719.5(a).

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A along with the results and findings noted as a result of the procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized after each procedure in Attachment A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the applicable Agencies and the Successor Agency Oversight Board, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

*Rogers Anderson Malody & Scott, LLP*

October 18, 2012

**Our procedures and results are as follows:**

**Citation:**

*34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.*

**Procedure:**

1. We obtained from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. We agreed the amounts on this listing to account balances established in the accounting records of the Successor Agency.

*Exception noted: We noted the unamortized bond issuance costs were not transferred to the Successor Agency.*

*The total amount of assets transferred to the Successor Agency from the Redevelopment Agency was \$47,698,735. Unamortized bond costs at February 1, 2012 were \$363,290.*

**Citation:**

*34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Procedure(s):**

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the agreed-upon procedures (AUP) report. If this has not yet occurred, perform the following procedures:
  - A. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency described the purpose of the transfer and described in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. See Attachment 2A.

*No exceptions were noted as a result of this procedure.*

- B. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency described the purpose of the transfer and described in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. See Attachment 2B.

*No exceptions were noted as a result of this procedure.*

- C. For each transfer, we obtained the legal document that formed the basis for the enforceable obligation that required any transfer.

*No exceptions noted were noted as a result of this procedure. This procedure was also performed during the agreed upon procedures engagement performed in accordance with HSC 34182(a)(1) which was performed by another firm.*

**Citation:**

*34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Procedure(s):**

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency described the purpose of the transfer and described in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. See Attachment 3A.

*No exceptions were noted as a result of this procedure.*

- B. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. See Attachment 3B.

*No exceptions were noted as a result of this procedure.*

- C. For each transfer, we obtained the legal document that formed the basis for the enforceable obligation that required any transfer. We noted in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

*No exceptions were noted as a result of this procedure. This procedure was also performed during the agreed upon procedures engagement performed in accordance with HSC 34182(a)(1) which was performed by another firm.*

**Citation:**

*34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.*

**Procedure(s):**

4. We performed the following procedures:
  - A. We obtained from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule (see Attachment 4A) for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions were presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) were presented at the bottom of this summary schedule for information purposes.

*No exceptions were noted as a result of this procedure.*

- B. We ascertained that for each period presented, the total of revenues, expenditures, and transfers accounted fully for the changes in equity from the previous fiscal period.

*Exception noted: For the seven months ended January 31, 2012, there was a prior period adjustment to the former Redevelopment Agency's equity balances which removed a portion of equity not associated with the former Redevelopment Agency.*

- C. We compared amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.

*No exceptions were noted as a result of this procedure.*

- D. We compared amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules.

*No exceptions noted. We utilized the former Redevelopment Agency's audited financial statements for the 2010 and 2011 fiscal years ended. We also utilized the former Redevelopment Agency's audited financial statements for the period ended January 31, 2012. For the Successor Agency, we used a preliminary financial statement provided by the Successor Agency.*

**Citation:**

*34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:*

*(A) A statement of the total value of each fund as of June 30, 2012.*

**Procedure:**

5. We obtained from the Successor Agency a listing of all assets of all other funds of the Successor Agency as of June 30, 2012. The attached schedule includes only those assets held by the Successor Agency. We agreed the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. See Attachment 5.

*Exception noted: We noted the unamortized bond issuance costs were not transferred to the Successor Agency.*

**Citation:**

*34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.*

**Procedure(s):**

6. We obtained from the Successor Agency a listing of asset balances held on June 30, 2012 that were restricted for the following purposes:
- A. Unspent bond proceeds:
- i. We obtained the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.) See Attachment 6A.

*No exceptions were noted as a result of this procedure.*



- ii. We traced individual components of this computation to related account balances in the accounting records, or to other supporting documentation.

*No exceptions were noted as a result of this procedure. We utilized the Successor Agency's trial balances provided by the Successor Agency.*

- iii. We obtained from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances (If applicable, we noted in our report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted).

*No exceptions were noted as a result of this procedure.*

B. Grant proceeds and program income that are restricted by third parties:

- i. We obtained the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures). See Attachment 6B.

*Not applicable, the Successor Agency did not report any grant proceeds or program income.*

- ii. We traced individual components of this computation to related account balances in the accounting records, or to other supporting documentation.

*Not applicable, the Successor Agency did not report any grant proceeds or program income.*

- iii. We obtained from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances (if applicable, we noted in our report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted).

*Not applicable, the Successor Agency did not report any grant proceeds or program income.*

C. Other assets considered to be legally restricted:

- i. We obtained the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures). See Attachment 6C.

*No exceptions were noted as a result of this procedure.*

- ii. We traced individual components of this computation to related account balances in the accounting records, or to other supporting documentation.

*No exceptions were noted as a result of this procedure. We utilized the Successor Agency's trial balances provided by the Successor Agency. We also used the trustee statement as of June 30, 2012.*

- iii. We obtained from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances (if applicable, we noted in our report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted).

*No exceptions were noted as a result of this procedure.*

- D. We attached the above mentioned Successor Agency prepared schedule(s) as attachments to our report. For each restriction identified on these schedules, the period of time for which the restrictions are in effect is noted. Restrictions in effect until the related assets are expended for their intended purpose are indicated in the schedules.

*No exceptions were noted as a result of this procedure.*

**Citation:**

*34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.*

**Procedure(s):**

7. We performed the following procedures:
- A. We obtained from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and we ascertained if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency. See Attachment 7A.

*No exceptions were noted as a result of this procedure.*

- B. If the assets listed at 7(A) were listed at purchase cost, we traced the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and noted any differences.

*No exceptions were noted as a result of this procedure.*

- C. For any differences noted in 7(B), we inspected evidence of disposal of the asset and ascertained that the proceeds were deposited into the Successor Agency trust fund. If the differences were due to additions (this generally is not expected to occur), we inspected the supporting documentation and note the circumstances.

*Not applicable.*

- D. If the assets listed at 7(A) were listed at recently estimated market value, we inspected the evidence (if any) supporting the value and noted the methodology used. If no evidence is available to support the value and/or methodology, we noted the lack of evidence.

*No exceptions were noted as a result of this procedure.*

**Citation:**

*34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.*

**Procedure(s):**

8. We performed the following procedures:

- A. If the Successor Agency believed that asset balances needed to be retained to satisfy enforceable obligations, we obtained from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and performed the following procedures (the schedule identified the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.) See Attachment 8A.

*Not applicable, the Successor Agency does not have any asset balances to be retained under this section.*

- i. We compared all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.

*Not applicable.*

- ii. We compared all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.

*Not applicable.*

- iii. We compared the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.

*Not applicable.*

- iv. We attached as an exhibit to the report the listing obtained from the Successor Agency. We identified in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

*No exceptions were noted as a result of this procedure.*

- B. If the Successor Agency believed that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, we obtained from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures. See Attachment 8B.

*Not applicable, the Successor Agency believes future revenues together with balances dedicated will be sufficient to fund future payments.*

- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.

*Not applicable.*

- ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
  - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.

*Not applicable.*

- iii. For the forecasted annual revenues:
  - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

*Not applicable.*

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), we obtained from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule. See Attachment 8C.

*Not applicable, the Successor Agency believes projected property tax revenues and other general purpose revenues will be sufficient to fund future payments.*

- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.  
*Not applicable.*
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.  
*Not applicable.*
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.  
*Not applicable.*
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- Not applicable.*
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.  
*Not applicable.*
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.  
*Not applicable.*
  - iii. Include the calculation in the AUP report.  
*Not applicable.*

**Citation:**

*34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.*

**Procedure:**

9. The Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, so we obtained a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report. See Attachment 9.

*No exceptions were noted as a result of this procedure.*

**Procedure:**

10. We included (prepared by the Successor Agency) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. We agreed amounts included in the calculation to the results of the procedures performed in each section above. The schedule included a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented was agreed to evidence of payment. See Attachment 10.

*No exceptions were noted as a result of this procedure.*

**Procedure:**

11. We obtained a representation letter from Successor Agency management acknowledging their responsibility for the data provided to us and the data presented in the report or in any attachments to the report.

*No exceptions were noted as a result of this procedure.*

**2A. Transfers from former RDA to City/County January 1, 2011 through January 31, 2012**

Transfer description	Transfer amount	Transfer date	City/County	Enforceable obligation	
				Required by	If yes, date
Negotiated pass through payment	\$ 91,688	01/27/2011	County of San Diego	HSC Section 33670 (b)	04/19/1988
Negotiated pass through payment	9,279	03/10/2011	County of San Diego	HSC Section 33670 (b)	04/19/1988
Negotiated pass through payment	20,382	04/01/2011	County of San Diego	HSC Section 33670 (b)	04/19/1988
Negotiated pass through payment	201,162	05/05/2011	County of San Diego	HSC Section 33670 (b)	04/19/1988
SERAF payment	1,029,115	05/09/2011	County of San Diego	HSC Section 33690	07/28/2009
Negotiated pass through payment	70,287	06/16/2011	County of San Diego	HSC Section 33670 (b)	04/19/1988
Negotiated pass through payment	14,171	07/08/2011	County of San Diego	HSC Section 33670 (b)	04/19/1988
Negotiated pass through payment	13,622	08/11/2011	County of San Diego	HSC Section 33670 (b)	04/19/1988
Negotiated pass through payment	58,499	12/15/2011	County of San Diego	HSC Section 33670 (b)	04/19/1988
Negotiated pass through payment	239,478	12/21/2011	County of San Diego	HSC Section 33670 (b)	04/19/1988
Negotiated pass through payment	98,901	01/18/2012	County of San Diego	HSC Section 33670 (b)	04/19/1988
Purchase/Sale of 100 Fletcher Parkway	1,000,000	06/30/2011	City of El Cajon	Promissory Note-Purchase/Sale Agreement	06/15/2011
Purchase/Sale of 100 Fletcher Parkway	840,665	12/01/2011	City of El Cajon	Promissory Note-Purchase/Sale Agreement	06/15/2011
<b>Total</b>	<b>\$ 3,687,249</b>				

**2B. Transfers from the Successor Agency to City/County February 1, 2012 through June 30, 2012**

Transfer description	Transfer amount	Transfer date	City/County	Enforceable obligation	
				Required by	If yes, date
Remittance of residual balance (accrued)	\$ 1,578,676	07/12/2012	County of San Diego	HSC 34183.5(b)(2)(A)	06/27/2012
Remittance of residual balance (accrued)	2,297,975	07/12/2012	County of San Diego	HSC 34183.5(b)(2)(A)	06/27/2012
<b>Total</b>	<b>\$ 3,876,651</b>				

**3A. Transfers from former RDA to Other Public Agency/Private Parties January 1, 2011 through January 31, 2012**

Transfer description	Transfer amount	Transfer date	Other public agency or private parties	Enforceable obligation	
				Required by	If yes, date
Negotiated pass through payments	\$ 791,201	01/27/11 - 01/18/12	Grossmont Union High School	HSC Section 33670 (b)	05/05/1988
Negotiated pass through payments	1,245,513	07/25/2011 - 12/23/2011	Cajon Valley School District	HSC Section 33670 (b)	04/19/1988
Loan for tenant improvements	210,267	07/13/2011 - 10/13/2011	Downtown El Cajon Brewery-Vendors	Participation Agreement	02/11/2010
Total	<u>\$ 2,246,981</u>				

**3B. Transfers from the Successor Agency to Other Public Agency/Private Parties February 1, 2012 through June 30, 2012**

Transfer description	Transfer amount	Transfer date	Other public agency or private parties	Enforceable obligation	
				Required by	If yes, date
Loan for Rehabilitation Improvements	\$ 360,131	05/31/2012	JKC Palm Springs Automotive, Inc	Owner Participation Agreement	03/09/2011
Loan for Rehabilitation Improvements (accrued)	1,972,400	07/03/2012	Parkway Plaza GP, LLC	Owner Participation Agreement	03/08/2011
Total	<u>\$ 2,332,531</u>				



**4A. Summary of financial transactions of the RDA and Successor Agency**

	Redevelopment Agency Ended 6/30/2010	Redevelopment Agency Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency Ended 6/30/2012	Housing Authority LMIHAF 5 Months Ended 6/30/2012
<b>Assets (modified accrual basis)</b>					
Cash and investments	\$ 18,248,475	\$ 16,571,764	\$ 17,367,013	\$ 8,798,245	\$ 5,896,436
Cash with fiscal agents	11,144,345	9,394,924	6,911,740	6,466,384	-
Receivables:					
Accounts	51,035	23,112	54,239	54,239	-
Taxes	247,658	236,618	-	-	-
Interest	93,582	49,476	-	1,914	4,301
Loans	9,676,414	12,010,157	11,430,858	4,880,724	10,122,299
Land held for resale	23,301,782	24,290,727	24,290,727	20,039,418	4,251,309
<b>Total Assets</b>	<b>\$ 62,763,291</b>	<b>\$ 62,576,778</b>	<b>\$ 60,054,577</b>	<b>\$ 40,240,924</b>	<b>\$ 20,274,345</b>
<b>Liabilities (modified accrual basis)</b>					
Accounts payable	\$ 1,857,699	\$ 1,232,466	\$ 23,976	\$ 5,873,290	\$ 427,812
Accrued liabilities	55,985	37,961	21,403	-	2,031
Deposits payable	16,915	8,000	2,000	2,000	-
Arbitrage rebate payable	159,479	26,812	-	-	-
Deferred revenue	613,444	551,811	634,396	75,203	599,068
Due to City of El Cajon	-	3,850,000	3,062,497	3,062,497	-
<b>Total Liabilities</b>	<b>2,703,522</b>	<b>5,707,050</b>	<b>3,744,272</b>	<b>9,012,990</b>	<b>1,028,911</b>
<b>Equity</b>	<b>60,059,769</b>	<b>56,869,728</b>	<b>56,310,305</b>	<b>31,227,934</b>	<b>19,259,184</b>
<b>Total Liabilities + Equity</b>	<b>\$ 62,763,291</b>	<b>\$ 62,576,778</b>	<b>\$ 60,054,577</b>	<b>\$ 40,240,924</b>	<b>\$ 20,288,095</b>
<b>Total Revenues:</b>	<b>\$ 15,088,416</b>	<b>\$ 14,956,697</b>	<b>\$ 8,061,693</b>	<b>\$ 57,869</b>	<b>\$ 75,651</b>
<b>Total Expenditures:</b>	<b>17,279,493</b>	<b>18,146,738</b>	<b>8,339,067</b>	<b>5,802,377</b>	<b>154,330</b>
<b>Total Transfers:</b>	<b>(1,015,194)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Extraordinary gain/loss</b>	<b>-</b>	<b>-</b>	<b>(56,310,305)</b>	<b>36,972,442</b>	<b>19,337,863</b>
<b>Net change in equity</b>	<b>(3,206,271)</b>	<b>(3,190,041)</b>	<b>(56,587,679)</b>	<b>31,227,934</b>	<b>19,259,184</b>
<b>Beginning Equity:</b>	<b>63,266,040</b>	<b>60,059,769</b>	<b>56,587,679</b>	<b>-</b>	<b>-</b>
<b>Ending Equity:</b>	<b>\$ 60,059,769</b>	<b>\$ 56,869,728</b>	<b>\$ -</b>	<b>\$ 31,227,934</b>	<b>\$ 19,259,184</b>
<b>Other Information (show year end balances for all three years presented):</b>					
<b>Capital assets as of end of year</b>	<b>\$ 3,749,669</b>	<b>\$ 6,560,153</b>	<b>\$ 8,945,284</b>	<b>\$ 7,543,358</b>	<b>\$ 1,350,907</b>
<b>Long-term debt as of end of year</b>	<b>67,794,616</b>	<b>66,522,823</b>	<b>65,107,868</b>	<b>65,107,868</b>	
<b>Less: Unamortized bond discount</b>	<b>(1,157,687)</b>	<b>(1,113,161)</b>	<b>(1,087,185)</b>	<b>(1,068,633)</b>	

**5. Listing of assets of Successor Agency  
as of June 30, 2012**

		Successor Agency
GL Account	Asset description	Total
1011	Cash - pooled	\$ 790,295
1012	Cash with fiscal agent	6,460,257
1015	LAIF - Successor Agency	7,995,957
1033	Investment fair market value	18,119
1111	Accounts receivable	54,239
1141	Loans receivable	853,468
1142	Loans receivable - forgivable	4,027,256
1170	Interest receivable	1,914
1600	Land held for resale	20,039,418
1710	Land	1,753,823
1730	Construction in progress	4,759,491
1810	Land improvements	1,233,241
1811	Land improvements - accumulated depreciation	(203,196)
Total		\$ 47,784,282

**6A. Listing of unspent bond proceeds as of June 30, 2012**

GL Account	Asset description	Successor Agency			
		Capital Projects 2005 Bonds	Capital Projects 2007 Bonds	Housing 2005 Bonds	Total
1011	Cash - pooled	\$ 249,850	\$ 100,479	\$ 9,345	\$ 359,674
1012	Cash with fiscal agent	-	5,023,831	-	5,023,831
1015	LAIF - Successor Agency	2,041,939	-	676,283	2,718,222
<b>Total Asset Balances</b>		2,291,789	5,124,310	685,628	8,101,727
<b>Less not liquid and not available:</b>					
	Accounts Payable	(1,972,400)	(8,820)	(2,205)	(1,983,425)
	Facade Improvement/JKC Palm Springs Automotive, Inc. (ROPS II)	(320,248)	(22,483)	-	(342,731)
	Civic Center Plaza Upgrades/ Ledcor Const (ROPS III)	-	(365,000)	-	(365,000)
<b>Total Unspent Bond Proceeds - Restricted</b>		<b>\$ (859)</b>	<b>\$ 4,728,007</b>	<b>\$ 683,423</b>	<b>\$ 5,410,571</b>

**Restrictions:**

Infrastructure and/or capital improvement projects and affordable housing projects per bond indentures.

Restrictions are in effect until the bond proceeds are expended for their intended purpose or use as stated and certified in the bond documents.

**6B. Listing of grant proceeds and program income as of June 30, 2012**

There are no grant proceeds and program income identified as restricted.

**6C. Listing of other assets - restricted as of June 30, 2012**

Account #	Account Name/Description	GL/Fund	Debt Service Fund	Capital Projects RPTTF	Total
DJCRYSTAL	D&J Crystal Cleaners - Tenant Deposit	1011	\$ -	\$ 2,000	\$ 2,000
105883	Bank of New York-El Cajon RDA Special Fund	1012	1	-	1
105886	Bank of New York-Reserve Account	1012	1,436,425	-	1,436,425
<b>Total Other Assets - Restricted</b>			<b>\$ 1,436,426</b>	<b>\$ 2,000</b>	<b>\$ 1,438,426</b>

**Restrictions:**

Restrictions are in effect until the tenant vacate property. (DJCRYSTAL)

Restrictions are in effect until the bond issues are no longer outstanding.

**7. Listing of assets not liquid or available for distribution as of June 30, 2012 - Successor Agency**

Asset Information					
ID#	Account Name	Description	GL	Successor Agency	Valuation
	City Pool	Fair market value 06/30/2012	1033	\$ 2,240	Fair market value
65-37-002	S/A City of El Cajon	Fair market value 01/31/2012	1033	9,752	Fair market value
11-37-025	S/A City of El Cajon - 2007 Bonds	Fair market value 01/31/2012	1033	6,127	Fair market value
	Interest receivable	Interest receivable - bond proceeds	1170	881	Book value
0000000132	Mangia Bene Restaurant	2004-2010 Ground lease	1111	4,046	Book value
0000000938	Priest Development Corp	Cost reimbursement Main/Magnolia project	1111	50,193	Book value
BREW02	Downtown El Cajon Brewing Co., Inc.	Loan receivable - OPA	1141	184,988	Book value
BREW03	Downtown El Cajon Brewing Co., Inc.	Loan receivable - OPA	1141	308,349	Book value
INLAND	Inland Properties (US), Inc.	Loan receivable - OPA	1141	1,900,000	Book value
KIA	JKC Palm Springs Automotive, Inc.	Loan receivable - OPA	1141	360,131	Book value
BREW01	Downtown El Cajon Brewing Co., Inc.	Loan receivable - OPA	1142	154,856	Book value
PARKWAYPL	Parkway Plaza GP, LLC	Loan receivable - OPA	1142	1,972,400	Book value
488-083-15-00 & 488-083-16-00	156 E. Main Street and adjacent lot	Unknown value	1600	-	Not available
488-083-27-00	149 Rea Avenue		1600	386,511	Book value
488-072-38-00	Magnolia Ave Frontage	RDR0703	1600	4,442,184	Book value
488-072-40-00	Rea Ave Properties	RDR0703	1600	2,504,159	Book value
488-083-03-00	115 Rea Avenue	RDR0703A	1600	653,599	Book value
488-082-18-00	141 N. Magnolia	RDR0703A	1600	2,068,748	Book value
482-250-34-00	572-588 N Johnson Ave	RD1017	1600	3,025,932	Book value
482-250-36-00	531-555 Raleigh	RD1017	1600	1,072,831	Book value
488-082-12-00	118-130 Rea Avenue	RDR0703A	1600	1,035,454	Book value
483-071-52-00	100 Fletcher Parkway	RD0801	1600	4,850,000	Market value as of 2011
488-211-21-00	201 E Main St	Prescott Promenade - Encroachment	1710	150,406	Book value
488-212-19-00	Lexington Avenue	1/2 alley	1710	23,422	Book value
488-212-20-00	Douglas Avenue	Walkway	1710	101,441	Book value
488-212-22-00	Prescott Avenue	Community Center parking lot	1710	1,478,554	Book value
RDR0708	Civic Center Plaza Upgrades	Land Improvements- Construction in progress	1730	4,759,491	Book value
RD0713	Prescott Promenade Improvements	Land Improvements	1810	1,233,241	Book value
RD0713	Prescott Promenade Improvements	Accumulated depreciation-Land Improve	1811	(203,196)	Book value
<b>Total Assets Not Liquid or Available for Distribution</b>				<b>\$ 32,536,740</b>	

**8. Schedule of asset balances - restricted/dedicated as of June 30, 2012 - Successor Agency**

- 8A.** Assuming that there will be no further State "take aways", further decline in property values, any legal actions arising from normal course of business by the Successor Agency and its Oversight Board, and significant increase in County and State administrative fees, the Agency believes that projected property tax revenues and other general revenues to be received are sufficient to fund enforceable obligations and that there is no need to retain asset balances as of June 30, 2012.
- 8B.** Assuming that there will be no further State "take aways", further decline in property values, any legal actions arising from normal course of business by the Successor Agency and its Oversight Board, and significant increase in County and State administrative fees, the Agency believes that projected property tax revenues and other general revenues to be received are sufficient to fund future obligation payments.
- 8C.** Assuming that there will be no further State "take aways", further decline in property values, any legal actions arising from normal course of business by the Successor Agency and its Oversight Board, and significant increase in County and State administrative fees, the Agency believes that projected property tax revenues and other general revenues to be received are sufficient to pay bond debt service payments.
- 8D.** Not applicable.

**9. Cash Balances to be Retained as of June 30, 2012 for 2012-2013 ROPS - Successor Agency**

GL account ROPS Ln#	Description	Explanation	Debt Service RPTTF	Capital Projects RPTTF	Capital Projects 2005 Bonds	Capital Projects 2007 Bonds	Unencumbered LMIHF Fund	Housing 2005 Bonds	TOTAL
GL 2011	Accounts Payable 06/30/2012	OPA loan disbursement request and goods and services that Successor Agency received prior to 06/30/2012 for which payments were issued after 06/30/2012.	\$ -	\$ 13,215	\$ 1,972,400	\$ 8,820	\$ -	\$ 2,205	\$ 1,996,640
Lns 28 & 34	ROPS July - December 2012	Line 28 - Balance of the loan for rehabilitation improvements to JKC Palm Springs Automotive, Inc. per OPA. Developer has not submitted request as of 06/30/2012. Line 34 - Project management costs related to the above developer	-	-	320,248	22,483	-	-	\$ 342,731
Lns 25 & 27	ROPS January-June 2013	Line 25 and 27 - Construction contract change orders and other project costs related to an ongoing redevelopment capital improvement project.	-	-	-	365,000	-	-	365,000
Lns 28	ROPS January-June 2013	Unfunded retirement and compensated liabilities related to employees performing functions for the former redevelopment agency. This is the portion attributed to the former Low&Moderate Income Housing Fund.	-	-	-	-	381,209	-	381,209
Cover sheet	ROPS January-June 2013 Prior Period RPTTF Adjustment	This is the cash amount that needs to be retained since it reduced the SA's RPTTF distribution for January-June 2013.	20,941	176,139	-	-	226,580	-	423,660
<b>Total cash balances retained</b>			<b>\$ 20,941</b>	<b>\$ 189,354</b>	<b>\$ 2,292,648</b>	<b>\$ 396,303</b>	<b>\$ 607,789</b>	<b>\$ 2,205</b>	<b>\$ 3,509,240</b>

**10. Summary of balances available for allocation to affected taxing entities -  
Successor Agency Funds**

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$47,784,282
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	(6,848,997)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(32,536,740)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)	-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	(3,509,240)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	<u>(3,876,651)</u>
Amount to be remitted to county for disbursement to taxing entities	<u><u>\$ 1,012,654</u></u>