

**SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY
OF THE CITY OF RIALTO**

Independent Accountant's Report on
Applying Agreed-Upon Procedures
To the Successor Agency to
the Redevelopment Agency of the City of Rialto

As Prescribed in Section 34179.5 of
the California Health and Safety Code

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF RIALTO**

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Sacramento

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Successor Agency to the Redevelopment Agency
of the City of Rialto
Rialto, California

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

We have performed the procedures in Attachment A, which were agreed to by the Successor Agency to the Redevelopment Agency of the City of Rialto (Successor Agency), California State Controller's Office and California Department of Finance (collectively referred to as Specified Parties) solely to assist you in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Fund of the former redevelopment agency, as prescribed in Section 34179.5 of the California Health and Safety Code (Code) as of June 30, 2012.

The scope of this engagement was limited to performing the agreed-upon procedures set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

Management of the Successor Agency is responsible for the accounting records. 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 the Specified Parties. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested, or for any other purpose.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the assets transferred to the Successor Agency from the Low and Moderate Income Housing Fund of the former redevelopment agency and the balance available for transfer to the taxing entities. 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 Successor Agency, California State Controller's Office and the California Department of Finance, and is not intended to be, and should not be used by anyone other than these specified parties.

Macias Jini & O'Connell LLP

Newport Beach, California
October 9, 2012

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Successor Agency to the Redevelopment Agency of the City of Rialto
Attachment A - Agreed-Upon Procedures and Findings
Low and Moderate Income Housing Fund

Our procedures and findings are as follows:

1) **Procedure:**

Obtain from the Successor Agency a listing of all assets that were transferred from the Low and Moderate Income Housing Funds of the former redevelopment agency to the Successor Agency on or about February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Finding: We noted the former redevelopment agency transferred assets in the amount of \$5,683,058 from the low and moderate income housing fund to the Successor Agency on February 1, 2012. All other assets of the Low and Moderate Income Housing Fund were transferred to the Housing Successor. We verified the transfers through the review of accounting records.

2) **Procedures:**

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. Obtain a listing prepared by the Successor Agency of transfers of assets from the Low and Moderate Income Housing Funds from the former redevelopment agency (excluding payments for goods and services) 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 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. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers of assets from the low and moderate income housing funds (excluding payments for goods and services) held by 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 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. Provide this listing as an attachment to the AUP report
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Successor Agency to the Redevelopment Agency of the City of Rialto
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

Findings: We noted that the State Controller's Office has not completed its review of transfers as of the date of this report.

For procedure 2A and 2C, we reviewed the minutes of the Redevelopment Agency of the City of Rialto (RDA) meeting held of March 22, 2011 and the Affordable Housing Agreement noting a legal document that required the transfer asset from the low and moderate income housing fund to the Rialto Housing Authority. Please refer to Exhibit A for the results of the procedures performed.

For procedures 2B and 2C, we reviewed the Housing Asset Transfer Form submitted to the Department of Finance and noted all assets listed on the Housing Asset Transfer Form were approved by the Department of Finance. However, we noted interest earned from bond proceeds in the amount of \$15,437 was not listed in the Housing Asset Transfer Form. As such, we noted a finding for this asset. Please refer to Exhibit B for the results of the procedures performed.

3) **Procedures:**

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. Obtain a listing prepared by the Successor Agency of transfers of assets from the Low and Moderate Income Housing Funds from the former redevelopment agency (excluding payments for goods and services) 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 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. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers of assets from the low and moderate income housing funds (excluding payments for goods and services) held by 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. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings: We noted the Successor Agency did not transfer any assets from the low and moderate income housing funds held by the Successor Agency (excluding payments for goods and

**Successor Agency to the Redevelopment Agency of the City of Rialto
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

services) to any other public agency, other than the Rialto Housing Authority, or to private parties for the period January 1, 2011 through June 30, 2012.

4) **Procedure:**

Obtain from the Successor Agency a listing of all assets of the low and moderate income housing funds that were held by the Successor Agency as of June 30, 2012. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the AUP report.

Finding: No exceptions were noted as a result of the procedure. Please refer to Exhibit C for a listing of the low and moderate income housing fund assets held by the Successor Agency as of June 30, 2012.

5) **Procedures:**

Obtain from the Successor Agency a listing of asset balances transferred from the low and moderate income housing funds, and still held as of June 30, 2012, that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain 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.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

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

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

C. Other assets considered to be legally restricted:

**Successor Agency to the Redevelopment Agency of the City of Rialto
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Findings: No exceptions were noted as a result of the procedures performed. Please refer to Exhibit D for the listing of the low and moderate income housing fund restricted assets held by the Successor Agency on June 30, 2012.

6) **Procedures:**

- A. Obtain from the Successor Agency a listing of assets transferred from the low and moderate income housing funds, and still held 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 ascertain 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.
- B. If the assets listed at 6A are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 6B, inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 6A are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Findings: We noted that the Successor Agency did not hold assets other than cash and cash equivalents as of June 30, 2012.

**Successor Agency to the Redevelopment Agency of the City of Rialto
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

7) **Procedures:**

- A. If the Successor Agency believes that asset balances transferred from the low and moderate income housing funds need to be retained to satisfy enforceable obligations, obtain 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 perform the following procedures. The schedule should identify 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.
 - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify 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.

- B. If the Successor Agency believes that future revenues, together with balances transferred from the Low and Moderate Income Housing Fund dedicated or restricted to an enforceable obligation, are insufficient to fund future obligation payments, and thus retention of current balances is required, obtain 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:
 - 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.
 - 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.
 - 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.

**Successor Agency to the Redevelopment Agency of the City of Rialto
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

- 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), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures 7A, B, or C were performed, calculate the amount of current unrestricted balances of assets transferred from the low and moderate income housing funds necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- 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.
 - 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.
 - iii. Include the calculation in the AUP report.

Findings: We noted the Successor Agency did not believe that asset balances transferred from the Low and Moderate Income Housing Fund pertaining to this procedure are dedicated or restricted for the funding of enforceable obligations.

8) **Procedure:**

If the Successor Agency believes that, as of June 30, 2012, cash balances transferred from the low and moderate income housing funds 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, obtain 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 transferred from the low and moderate income housing funds 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.

Finding: Based on our inquiry with management, the Successor Agency believes that \$40,000 of the cash balances transferred from the low and moderate income housing fund as of June 30, 2012, are needed to satisfy obligations on the ROPS for the period January 1, 2013 through June

**Successor Agency to the Redevelopment Agency of the City of Rialto
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

30, 2013. The Successor Agency does not believe that additional cash balances transferred from the low and moderate income housing fund as of June 30, 2012, are needed to satisfy obligations on the ROPS for the period July 1, 2012 through December 31, 2012. No exceptions were noted as a result of the procedure performed. Please refer to Exhibit E for the results of this procedure.

9) **Procedure:**

Include a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from assets transferred to the Successor Agency from the low and moderate income housing funds. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include 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 should be agreed to evidence of payment.

Finding: The Successor Agency made a payment of \$3,064,173 to the County Auditor-Controller as directed by the California Department of Finance. Management of the Successor Agency has elected to deduct \$579,762 of this payment from the Low and Moderate Income Housing Fund assets held by the Successor Agency as of June 30, 2012. We noted that the deduction of the amount paid to the County Auditor-Controller on July 12, 2012 agreed to evidence of payment. Please refer to Exhibit F for the results of this procedure.

10) **Procedure:**

Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from assets of the Low and Moderate Income Housing Fund from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012, that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Finding: No exceptions were noted as a result of this procedure.

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**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO
EXHIBIT A - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE
CITY OF RIALTO FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer.	Finding Amount
1 Cash	Rialto Housing Authority	March 31, 2011	\$2,605,000	Pursuant to the Affordable Housing Agreement, the Agency's Housing Fund is obligated to provided funding to cover both on-site and off-site development costs not to exceed \$2,605,000.	\$ -

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SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO
EXHIBIT B - LOW AND MODERATE INCOME HOUSING FUND ASSETS, HELD BY THE SUCCESSOR AGENCY, TRANSFERRED TO THE
CITY OF RIALTO FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012

Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer.	Finding Amount
1 KDF Community Project - Cash	Rialto Housing Authority	February 1, 2012	\$ 7,560,000		\$ -
2 HELP Loan #1 - Cash	Rialto Housing Authority	February 1, 2012	1,300,000	Pursuant to Health and Safety Code section 34176 (a)(1), "The city, county, or city and county that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency." These assets transferred from the Low and Moderate Income Housing Fund of the former redevelopment agency to the Rialto Housing Authority were approved by the Department of Finance based on their review of the Housing Asset Transfer Form	-
3 HELP Loan #2 - Cash	Rialto Housing Authority	February 1, 2012	1,300,000		-
4 CalHome Funds Cash	Rialto Housing Authority	February 1, 2012	743,774		-
5 Low-Mod Housing Loans - Receivable	Rialto Housing Authority	February 1, 2012	1,981,371		-
6 Land held for resale - Physical asset	Rialto Housing Authority	February 1, 2012	309,199		-
7 CalHome Housing Loans - Receivable	Rialto Housing Authority	February 1, 2012	1,090,489		-
8 Accounts Receivable - Misc.	Rialto Housing Authority	February 1, 2012	1,371		-
9 Interest Received	Rialto Housing Authority	February 1, 2012	15,437	The bond proceeds were not listed on the Housing Asset Transfer Form and was not subject to the Department of Finance approval. As such, we noted a finding in the amount of \$15,437.	15,437
10 Land held for resale - Allowance	Rialto Housing Authority	February 1, 2012	(309,199)	This item represents net realizable value adjustment to the land held for resale approved in the Housing Asset Transfer Form by the Department of Finance.	-
11 Allowance for doubtful accounts	Rialto Housing Authority	February 1, 2012	(800)	This item represents the allowance for doubtful accounts related to the accounts receivable approved in the Housing Asset Transfer Form by the Department of Finance.	-
			<u>\$ 13,991,642</u>		<u>\$ 15,437</u>

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**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO
EXHIBIT C - LOW AND MODERATE INCOME HOUSING FUND ASSETS
HELD BY THE SUCCESSOR AGENCY AS AS JUNE 30, 2012**

	June 30, 2012
Assets	
Cash with Fiscal Agent (Debt Service Reserve)	\$ 3,741,914
Cash	619,762
Total Assets	\$ 4,361,676

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**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO
EXHIBIT D - LOW AND MODERATE INCOME HOUSING FUND RESTRICTED ASSETS HELD BY THE SUCCESSOR AGENCY AS OF JUNE 30, 2012**

A. Unspent Bond Proceeds	June 30, 2012	Computation of the Restricted Balance	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate in the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended for their intended purpose.
Assets				
Cash with Fiscal Agent (Debt Service Reserve)	\$ 2,960,024	Not applicable	Treasurer's Report 6/30/12	2005 Series B Bond documents require the reserve until the related assets are expended for their intended purpose.
Cash with Fiscal Agent (Debt Service Reserve)	781,890	Not applicable	Treasurer's Report 6/30/12	2008 Series B Bond documents require the reserve until the related assets are expended for their intended purpose.
Total Assets	\$ 3,741,914			
B. Grant Proceeds and Program Income				
Total Assets	\$ -			
C. Other Assets Considered Legally Restricted				
Interest received related to 2008 bond proceeds	15,437	Not applicable	Accounting Records	2008 Series B Bond documents require to retain the bond proceeds until the related assets are expended for their intended purpose.
Total Assets	\$ 15,437			
Summary of Restricted Assets Listed in Tables A, B and C				
Total Assets	\$ 3,757,351			

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**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO
EXHIBIT E - RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
January 1, 2013 through June 30, 2013**

Item #	Project Name / Debt Obligation	Contract Agreement Execution Date by Calendar Year	Contract Agreement Termination Date by Calendar year	Payee	Description / Project Scope	Project Area*** (See note #8)	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source						Amount of Existing Cash Needed to be Retained	Successor Agency rationale for retaining cash balances to satisfy the obligation	
									LMHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other **			Six-Month Total
1	Monitor Housing Agreement - Payments*	2011	2012	Keyser Marston Associates	Agreement to monitor housing covenants		\$ 40,000	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	The Agency anticipates that the ROPS III installment will not be sufficient to satisfy obligations.

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SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO

**EXHIBIT F - LOW AND MODERATE INCOME HOUSING FUND ASSETS, HELD BY THE SUCCESSOR AGENCY,
TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE AVAILABLE TO DISTRIBUTE TO AFFECTED TAXING
ENTITIES**

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 4)	\$ 4,361,676
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)	15,437
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 5)	(3,757,351)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 6)	-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 7)	-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 8)	(40,000)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance (Note 1)	<u>(579,762)</u>
Amount to be remitted to county for disbursement to taxing entities	<u><u>\$ -</u></u>

Note 1: The Successor Agency made a payment of \$3,064,173 to the County Auditor-Controller as directed by the California Department of Finance. Management of the Successor Agency has elected to deduct \$579,762 of this payment from the Low and Moderate Income Housing Fund assets held by the Successor Agency as of June 30, 2012.

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