

**SUCCESSOR AGENCY TO THE VICTOR  
VALLEY ECONOMIC DEVELOPMENT  
AUTHORITY REDEVELOPMENT AGENCY**

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON DUE DILIGENCE  
REVIEW PROCEDURES**

**ALL OTHER FUNDS (EXCLUDING THE LOW  
AND MODERATE INCOME HOUSING FUND)**

SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC DEVELOPMENT  
AUTHORITY REDEVELOPMENT AGENCY  
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CERTIFIED  
PUBLIC  
ACCOUNTANTS  
& BUSINESS  
ADVISORS

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON DUE DILIGENCE REVIEW PROCEDURES

Successor Agency to the Victor Valley Economic Development Authority  
Redevelopment Agency  
Victorville, California

We have performed the due diligence review procedures enumerated below, which were agreed to by the Successor Agency to the Victor Valley Economic Development Authority Redevelopment Agency, the California State Controller's Office, and the Department of Finance, solely to assist you in determining the unobligated balances in all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) available for transfer to taxing entities pursuant to California Health and Safety Code Section 34179.5(c). Management of the Successor Agency is responsible for the accounting records pertaining to the unobligated balances. This engagement to apply agreed-upon procedures 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 the report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Obtain 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. 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.

*We noted assets in the amount of \$18,391,295 were transferred from all other funds of the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) to the Successor Agency as of February 1, 2012. Refer to Exhibit 2.*

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 AUP report. If this has not yet occurred, perform the following procedures:

A. Obtain 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 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.

*Per the Successor Agency, there were no transfers from the former redevelopment agency to the Victor Valley Economic Development Authority for the period from January 1, 2011 through January 31, 2012.*

B. Obtain 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 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.

*Per the Successor Agency, there were no transfers from the Successor Agency to the Victor Valley Economic Development Authority for the period from February 1, 2012 through June 30, 2012.*

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.

*This procedure is not applicable.*

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. Obtain 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 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.

*We noted 25 transfers totaling \$31,208,988 from all other funds of the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) to other public agencies or private parties for the period January 1, 2011 through January 31, 2012. Refer to Exhibit 3.*

- B. Obtain 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. Provide this listing as an attachment to the AUP report.

*We noted 33 transfers totaling \$17,090,798 from all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) to other public agencies or private parties for the period February 1, 2012 through June 30, 2012. Refer to Exhibit 4.*

- 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.

*Refer to Exhibits 3 and 4 for the legal documents that formed the basis for the enforceable obligations that required the transfers.*

4. Perform the following procedures:

- A. Obtain 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 for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End-of-year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.

*Refer to Exhibit 5 for a summary of financial transactions of the former redevelopment agency for the years ended June 30, 2010 and 2011 and for the period July 1, 2011 through January 31, 2012, and for the Successor Agency for the period February 1, 2012 through June 30, 2012. All amounts include the Low and Moderate Income Housing Fund and all other funds of the former redevelopment agency and the Successor Agency.*

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

*No exceptions noted.*

- C. Compare 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 noted.*

- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

*We compared the amounts for the fiscal year ended June 30, 2010 and June 30, 2011 to the audited financial statements of the former redevelopment agency. The amounts for the seven months ended January 31, 2012 and five months ended June 30, 2012 were traced to account balances in the general ledger of the former redevelopment agency and the Successor Agency, respectively. No exceptions noted.*

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) as of June 30, 2012 for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. 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 appropriate AUP report.

*Refer to Exhibit 6 for a listing of the assets of all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) as of June 30, 2012.*

6. Obtain from the Successor Agency a listing of asset balances held on 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.

*Per the Successor Agency, there are no unspent bond proceeds.*

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.

*Per the Successor Agency, no grant proceeds or program income are restricted by third parties.*

C. Other assets considered to be legally restricted:

- 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.

*Per the Successor Agency, all assets of the Successor Agency are intended to be passed through to member and other agencies as stated in the Joint Powers Authority Agreement. Refer to Exhibit 7.*

- 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.

*Refer to Exhibit 7.*



7. Perform the following procedures:

- A. Obtain 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 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.

*We noted no assets that are not liquid or otherwise available for distribution. This procedure is not applicable.*

- B. If the assets listed at 7(A) 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.

*This procedure is not applicable.*

- C. For any differences noted in 7(B), 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.

*This procedure is not applicable.*

- D. If the assets listed at 7(A) 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.

*This procedure is not applicable.*

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances 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 (ROPS) 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.

*Per the Successor Agency, asset balances amounting to \$9,862,183 are restricted for the funding of enforceable obligations listed in the approved ROPS. Per the Successor Agency, all assets of the Successor Agency are intended to be passed through to member and other agencies as stated in the Joint Powers Authority Agreement. Refer to Exhibit 8 for a listing of enforceable obligations sourced from restricted assets.*

- B. If the Successor Agency believes 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, 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.

*This procedure is 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), 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.

*This procedure is 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.
- 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.

*Refer to Exhibit 9.*

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the 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 of 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.

*This procedure is not applicable.*

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. 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. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

*Refer to Exhibit 1 for a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from all other funds (excluding the Low and Moderate Income Housing Fund).*

11. 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 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.

*A representation letter was obtained from the Successor Agency.*

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the computation of the unobligated balances in all other funds of the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) available to transfer to taxing entities pursuant to California Health and Safety Code Section 34179.5(c). 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, Oversight Board, County Auditor-Controller, and applicable State agencies, 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.

*Eddie and Payne, LLP*

January 7, 2013  
Redlands, California

**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
AUTHORITY REDEVELOPMENT AGENCY  
SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED  
TAXING ENTITIES**

Total amount of assets held by the Successor Agency as of June 30, 2012 - Exhibit 6	\$ 9,862,183
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments - Exhibit 7	<u>9,862,183</u>
<b>Amount to be remitted to County for distribution to taxing entities</b>	<u><u>\$ -</u></u>

SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
AUTHORITY REDEVELOPMENT AGENCY  
**LISTING OF ASSETS TRANSFERRED FROM THE FORMER REDEVELOPMENT  
AGENCY TO THE SUCCESSOR AGENCY ON FEBRUARY 1, 2012**

<u>Asset Description</u>	<u>Total Funds</u>
Cash and investments	\$ 17,718,228
Due from other governments	<u>673,067</u>
<b>Total</b>	<u><u>\$ 18,391,295</u></u>

**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
 AUTHORITY REDEVELOPMENT AGENCY  
 DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY  
 TO OTHER PUBLIC AGENCIES OR PRIVATE PARTIES  
 FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

<u>Amount of Transfer</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis of Transfer</u>
\$ 15,164,380	4/22/2011	FY 2010-2011 Pass-through payment to Town of Apple Valley	Joint Powers Authority Agreement
33,618	4/28/2011	Distribution of FY 2009-2010 interest and budget savings to City of Adelanto	Joint Powers Authority Agreement
43,806	4/28/2011	Distribution of FY 2009-2010 interest and budget savings to Town of Apple Valley	Joint Powers Authority Agreement
38,219	4/28/2011	Distribution of FY 2009-2010 interest and budget savings to County of San Bernardino	Joint Powers Authority Agreement
34,287	4/28/2011	Distribution of FY 2009-2010 interest and budget savings to City of Hesperia	Joint Powers Authority Agreement
129,254	4/28/2011	Distribution of FY 2009-2010 interest and budget savings to City of Victorville	Joint Powers Authority Agreement
2,510,083	5/9/2011	Pass-through payment to County of San Bernardino	Joint Powers Authority Agreement
49,823	8/25/2011	FY 2010-2011 Pass-through to the City of Adelanto	Joint Powers Authority Agreement
455,606	8/25/2011	FY 2010-2011 Pass-through to the County of San Bernardino	Joint Powers Authority Agreement
1,098,055	8/25/2011	FY 2010-2011 Pass-through to the Town of Apple Valley	Joint Powers Authority Agreement
135,135	8/25/2011	FY 2010-2011 Pass-through to the City of Hesperia	Joint Powers Authority Agreement
9,277,582	8/25/2011	FY 2010-2011 Pass-through to the City of Victorville	Joint Powers Authority Agreement
215,527	8/25/2011	FY 2010-2011 Pass-through to the Apple Valley Fire Protection District	Joint Powers Authority Agreement



**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
 AUTHORITY REDEVELOPMENT AGENCY  
 DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY  
 TO OTHER PUBLIC AGENCIES OR PRIVATES PARTIES (Continued)  
 FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

Amount of Transfer	Effective Date of Transfer	Purpose of Transfer	Basis of Transfer
\$ 67,606	8/25/2011	FY 2010-2011 Pass-through to the Mojave Water District	Joint Powers Authority Agreement
14,325	8/25/2011	FY 2010-2011 Pass-through to the Hesperia Park District	Joint Powers Authority Agreement
129,147	8/25/2011	FY 2010-2011 Pass-through to the County Superintendent of Schools	Joint Powers Authority Agreement
281,078	8/25/2011	FY 2010-2011 Pass-through to the Victor Valley Community College	Joint Powers Authority Agreement
289,970	8/25/2011	FY 2010-2011 Pass-through to the Adelanto Elementary School District	Joint Powers Authority Agreement
46,075	8/25/2011	FY 2010-2011 Pass-through to the Oro Grande Elementary School District	Joint Powers Authority Agreement
258,411	8/25/2011	FY 2010-2011 Pass-through to the Victor Elementary School District	Joint Powers Authority Agreement
534,625	8/25/2011	FY 2010-2011 Pass-through to the Victor Valley High School	Joint Powers Authority Agreement
234,769	8/25/2011	FY 2010-2011 Pass-through to the Apple Valley Unified School District	Joint Powers Authority Agreement
160,584	8/25/2011	FY 2010-2011 Pass-through to the Hesperia Unified School District	Joint Powers Authority Agreement

**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
 AUTHORITY REDEVELOPMENT AGENCY  
 DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY  
 TO OTHER PUBLIC AGENCIES OR PRIVATE PARTIES (Continued)  
 FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

Amount of Transfer	Effective Date of Transfer	Purpose of Transfer	Basis of Transfer
\$ 6,624	8/25/2011	FY 2010-2011 Pass-through to the Mojave Desert Resource Conservation District	Joint Powers Authority Agreement
<u>399</u>	8/25/2011	FY 2010-2011 Pass-through to the San Bernardino Fire Protection District	Joint Powers Authority Agreement
<u>\$ 31,208,988</u>	<b>Total Transfers</b>		

**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
 AUTHORITY REDEVELOPMENT AGENCY  
 DETAIL OF TRANSFERS FROM THE SUCCESSOR AGENCY TO  
 OTHER PUBLIC AGENCIES OR PRIVATE PARTIES  
 FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012**

Amount of Transfer	Effective Date of Transfer	Purpose of Transfer	Basis of Transfer
\$ 264,437	3/7/2012	FY 2011-2012 Pass-through payment to the Apple Valley Fire Protection District	Joint Powers Authority Agreement
82,669	3/7/2012	FY 2011-2012 Pass-through payment to the Mojave Water Agency	Joint Powers Authority Agreement
17,783	3/7/2012	FY 2011-2012 Pass-through payment to the Hesperia Park District	Joint Powers Authority Agreement
157,889	3/7/2012	FY 2011-2012 Pass-through payment to the County Superintendent of Schools	Joint Powers Authority Agreement
342,750	3/7/2012	FY 2011-2012 Pass-through payment to the Victor Valley Community College	Joint Powers Authority Agreement
351,458	3/7/2012	FY 2011-2012 Pass-through payment to Adelanto Elementary	Joint Powers Authority Agreement
52,673	3/7/2012	FY 2011-2012 Pass-through payment to the Oro Grande Elementary School District	Joint Powers Authority Agreement
319,293	3/7/2012	FY 2011-2012 Pass-through payment to the Victor Elementary School District	Joint Powers Authority Agreement
650,017	3/7/2012	FY 2011-2012 Pass-through payment to the Victor Valley High School	Joint Powers Authority Agreement
288,061	3/7/2012	FY 2011-2012 Pass-through payment to the Apple Valley Unified School District	Joint Powers Authority Agreement
197,308	3/7/2012	FY 2011-2012 Pass-through payment to the Hesperia Unified School District	Joint Powers Authority Agreement
11,415,262	3/7/2012	FY 2011-2012 Pass-through payment to the City of Hesperia	Joint Powers Authority Agreement

**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
 AUTHORITY REDEVELOPMENT AGENCY  
 DETAIL OF TRANSFERS FROM THE SUCCESSOR AGENCY TO  
 OTHER PUBLIC AGENCIES OR PRIVATE PARTIES (Continued)  
 FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012**

Amount of Transfer	Effective Date of Transfer	Purpose of Transfer	Basis of Transfer
\$ 207,498	3/7/2012	FY 2011-2012 Pass-through payment to the City of Victorville	Joint Powers Authority Agreement
1,385,268	3/7/2012	FY 2011-2012 Pass-through payment to the Town of Apple Valley	Joint Powers Authority Agreement
551,850	3/7/2012	FY 2011-2012 Pass-through payment to the County of San Bernardino	Joint Powers Authority Agreement
65,640	3/7/2012	FY 2011-2012 Pass-through payment to the City of Adelanto	Joint Powers Authority Agreement
8,155	3/7/2012	FY 2011-2012 Pass-through payment to the Mojave Desert Resource Conservation District	Joint Powers Authority Agreement
1,115	3/7/2012	FY 2011-2012 Pass-through payment to the San Bernardino Fire Protection District	Joint Powers Authority Agreement
706	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the Mojave Water Agency	Joint Powers Authority Agreement
1,350	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the County Superintendent of Schools	Joint Powers Authority Agreement
8,912	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the Victor Valley Community College	Joint Powers Authority Agreement
7,981	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the Adelanto Elementary School District	Joint Powers Authority Agreement

**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
 AUTHORITY REDEVELOPMENT AGENCY  
 DETAIL OF TRANSFERS FROM THE SUCCESSOR AGENCY TO  
 OTHER PUBLIC AGENCIES OR PRIVATE PARTIES (Continued)  
 FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012**

Amount of Transfer	Effective Date of Transfer	Purpose of Transfer	Basis of Transfer
\$ 62	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the Oro Grande Elementary School District	Joint Powers Authority Agreement
12,993	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the Victor Elementary School District	Joint Powers Authority Agreement
18,478	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the Victor Valley Union High School District	Joint Powers Authority Agreement
199	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the Apple Valley Unified School District	Joint Powers Authority Agreement
499,163	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the City of Victorville	Joint Powers Authority Agreement
46	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the Mojave Desert Resource Conservation District	Joint Powers Authority Agreement
8,255	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the Snowline Joint Unified School District	Joint Powers Authority Agreement
29,936	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the Town of Apple Valley	Joint Powers Authority Agreement
24,638	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the City of Hesperia	Joint Powers Authority Agreement

**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
 AUTHORITY REDEVELOPMENT AGENCY  
 DETAIL OF TRANSFERS FROM THE SUCCESSOR AGENCY TO  
 OTHER PUBLIC AGENCIES OR PRIVATE PARTIES (Continued)  
 FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012**

Amount of Transfer	Effective Date of Transfer	Purpose of Transfer	Basis of Transfer
\$ 68,733	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the County of San Bernardino	Joint Powers Authority Agreement
<u>50,220</u>	6/29/2012	Final 2010-2011 Distribution of interest and budget savings to the City of Adelanto	Joint Powers Authority Agreement
<u>\$ 17,090,798</u>	<b>Total Transfers</b>		

**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
AUTHORITY REDEVELOPMENT AGENCY  
SUMMARY OF FINANCIAL TRANSACTIONS OF THE FORMER REDEVELOPMENT  
AGENCY AND THE SUCCESSOR AGENCY**

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
<b>Assets</b>				
Cash and Investments	\$ 16,505,234	\$ 13,913,086	\$ 17,718,228	\$ 9,189,116
Due from other governments	<u>868,541</u>	<u>1,153,477</u>	<u>673,067</u>	<u>673,067</u>
<b>Total Assets</b>	<u>\$ 17,373,775</u>	<u>\$ 15,066,563</u>	<u>\$ 18,391,295</u>	<u>\$ 9,862,183</u>
<b>Liabilities</b>				
Accounts payable	\$ 82,180	\$ 10,343		
Accrued liabilities			\$ 1,775,458	\$ 1,831,558
Due to other governments	<u>17,291,595</u>	<u>15,056,220</u>	<u>16,615,837</u>	<u>8,030,625</u>
<b>Total Liabilities</b>	<u>17,373,775</u>	<u>15,066,563</u>	<u>18,391,295</u>	<u>9,862,183</u>
Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Equity</b>	<u>\$ 17,373,775</u>	<u>\$ 15,066,563</u>	<u>\$ 18,391,295</u>	<u>\$ 9,862,183</u>
Total Revenues	\$ 38,395,055	\$ 34,193,306	\$ 16,665,126	-
Total Expenditures	<u>38,395,055</u>	<u>34,193,306</u>	<u>16,665,126</u>	<u>-</u>
Net Change in Equity	-	-	-	-
Beginning Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending Equity</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Information				
Capital assets as of end of period	-	-	-	-
Long-term debt as of end of period	-	-	-	-

SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
AUTHORITY REDEVELOPMENT AGENCY  
**DETAIL OF ASSETS OF ALL OTHER FUNDS (EXCLUDING THE LOW AND  
MODERATE INCOME HOUSING FUND)**  
AS OF JUNE 30, 2012

<u>Asset Description</u>	<u>Amount</u>
Cash and investments	\$ 9,189,116
Due from other governments	<u>673,067</u>
<b>Total</b>	<u><u>\$ 9,862,183</u></u>



**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
 AUTHORITY REDEVELOPMENT AGENCY  
 DETAIL OF UNSPENT BOND PROCEEDS AND OTHER ASSETS  
 CONSIDERED TO BE LEGALLY RESTRICTED**

<u>Asset Description</u>	<u>Amount</u>	<u>Accounting Records or Supporting Documentation</u>	<u>Legal Document That Sets Forth Restrictions</u>	<u>Time Limit on Restrictions</u>
Cash and investments	\$ 9,189,116	General ledger balances	Joint Powers Authority Agreement	Restriction is in place until all funds are distributed
Due from other governments	<u>673,067</u>	General ledger balances	Joint Powers Authority Agreement	Restriction is in place until all funds are distributed
<b>Total</b>	<b><u>\$ 9,862,183</u></b>			

**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
AUTHORITY REDEVELOPMENT AGENCY  
DETAIL OF CASH BALANCES THAT ARE NEEDED TO SATISFY ROPS  
OBLIGATIONS FOR THE FISCAL YEAR 2012-2013**

Item #	Project Name/Debt Obligation	Payee	Description	Total Obligation	Dollar Amount To Retain
<u>Recognized Obligation Payment Schedule June 30, 2012 through December 31, 2012</u>					
1	Joint Powers Authority Agreement	Southern California Logistics Airport Authority	Obligation pursuant to Joint Powers Authority Agreement	\$ 9,859,587	-
2	Joint Powers Authority Agreement	City of Victorville	Obligation pursuant to Joint Powers Authority Agreement	9,148,399	-
3	Joint Powers Authority Agreement	City of Hesperia	Obligation pursuant to Joint Powers Authority Agreement	341,704	-
4	Joint Powers Authority Agreement	County of San Bernardino	Obligation pursuant to Joint Powers Authority Agreement	879,450	-
5	Joint Powers Authority Agreement	Town of Apple Valley	Obligation pursuant to Joint Powers Authority Agreement	2,376,170	-
6	Joint Powers Authority Agreement	City of Adelanto	Obligation pursuant to Joint Powers Authority Agreement	210,053	-
	Administrative allowance			194,200	-
	<b>Subtotals</b>			<u>23,009,563</u>	<u>-</u>
<u>Recognized Obligation Payment Schedule January 1, 2013 through June 30, 2013</u>					
1	Joint Powers Authority Agreement	Southern California Logistics Airport Authority	Obligation pursuant to Joint Powers Authority Agreement	6,148,797	-
2	Joint Powers Authority Agreement	City of Victorville	Obligation pursuant to Joint Powers Authority Agreement	5,717,767	-
3	Joint Powers Authority Agreement	City of Hesperia	Obligation pursuant to Joint Powers Authority Agreement	211,378	-
4	Joint Powers Authority Agreement	County of San Bernardino	Obligation pursuant to Joint Powers Authority Agreement	554,054	-
5	Joint Powers Authority Agreement	Town of Apple Valley	Obligation pursuant to Joint Powers Authority Agreement	1,432,958	-
6	Joint Powers Authority Agreement	City of Adelanto	Obligation pursuant to Joint Powers Authority Agreement	179,754	-
	Administrative allowance			427,341	-
	<b>Subtotals</b>			<u>14,672,049</u>	<u>-</u>
	<b>Totals</b>			<u>\$ 37,681,612</u>	<u>\$ -</u>

**SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC  
AUTHORITY REDEVELOPMENT AGENCY  
CALCULATION OF CURRENT UNRESTRICTED BALANCES NECESSARY  
FOR RETENTION**

The amount of current unrestricted balances necessary for retention is calculated as follows:

Identified current dedicated or restricted balances	\$ 9,862,183
Amount of forecasted annual revenues	<u>37,681,612</u>
Amount of total resources available to fund enforceable obligations	47,543,795
Forecasted annual spending requirements (Exhibit 8)	37,681,612
Outstanding obligations as of June 30, 2012 per the Joint Powers Authority Agreement	<u>9,862,183</u>
<b>Amount of current unrestricted balances that need to be retained</b>	<u><u>\$ -</u></u>