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**Oversight Board of the Successor Agency to the Redevelopment Agency of the
City of Needles, California
817 Third St.
Needles, CA 92363**

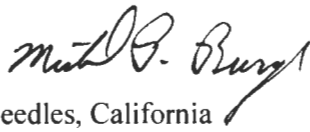
**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

I have performed the agreed-upon procedures enumerated in Attachment A, which were agreed to by the Successor Agency to the Redevelopment Agency of the City of Needles, California (Successor Agency), the California Department of Finance, the California State Controller's Office and the County Auditor-Controller's Office, solely to assist you in complying with the requirement for a due diligence review of the non-housing funds of the former Redevelopment Agency and the Successor Agency pursuant to California Health and Safety Code section 34179.5(c). Management of the Successor Agency is responsible for compliance with the California Health and Safety Code. 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 users of the report. Consequently, I 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. I was not engaged to, and did not; perform and examination, the objective of which the objective of which would be the expression of an opinion on the specified items. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The scope of this engagement was limited to performing the agreed-upon procedures as set forth in Attachment A.

Attachment B identifies the findings noted as a result of the procedures performed.

This report is intended solely for the information and use of the 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.



Needles, California
November 26, 2012

ATTACHMENT A
Procedures Performed

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

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.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
- 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.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules.

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 as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) 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.

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.

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:

- 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.
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances.

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.

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.
- 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.
- 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.
- 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.

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 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 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.
- 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 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.
9. If 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, 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 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.
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).
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.

ATTACHMENT B
Findings

1. Assets transferred from the Needles Redevelopment Agency to the Successor Agency to the Needles Redevelopment Agency as of February 1, 2012 were as follows:

Cash – Operations account	\$ 110,617.72*
Cash – Debt Service account	1,517,448.52*
Cash – Capital Set Aside Fund	233,310.06
Capital Assets – Land/Improvements/CIP	431,450.00

*As noted in my due diligence review report issued September 18, 2012 in accordance with HSC section 34182(a)(1), the City of Needles prepared an Asset Transfer Assessment form on May 22, 2012 that listed incorrect balances. The balances listed on the Asset Transfer Assessment form were balances as of April 30, 2012 instead of January 31, 2012.

2. The State Controller’s Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8 and has not issued its report regarding such review.
 - A. There was one transfer (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. This was check number 094674 dated January 24, 2012 to U.S. Bank Trust N.A. for \$44,625. This payment was supported by an invoice from U.S. Bank Trust covering interest through February 14, 2012 on the 1992 Series A Tax Bonds.
 - B. There was one transfer (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. Journal entry 0322 dated March 31, 2012 transferred \$50,000 from the RDA to the City for repayment of an advance for a land purchase made by the City on behalf of the RDA, and \$50,000 for repayment of advances for other purposes made by the City on behalf of the RDA.
 - C. The legal document that forms the basis for the enforceable obligation is a note payable executed on September 22, 1998. I obtained a copy of the note payable.
3. The State Controller’s Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8 and has not issued its report regarding such review.
 - A. There were no 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.
 - B. There were no 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.
 - C. Not applicable.

4. A. A summary of the financial transactions of the Redevelopment Agency and the Successor Agency is attached to this report as Schedule B-1.
- B. For each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
- C. The amounts in the schedule relevant to the fiscal year ended June 30, 2010 agree to the state controller's report filed for the Redevelopment Agency for that period.
- D. The amounts in the schedule for the fiscal year ended June 30, 2011 agree to the state controller's report filed for the Redevelopment Agency for that period. The amounts in the schedule for the seven months ended January 31, 2011 and for the five months ended June 30, 2012 were agreed to the general ledger balances for funds 270, 370 and 470 maintained by the City of Needles Finance Department.
5. 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 as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012 is attached to this report as Exhibit B.
6. A. The listing of assets obtained from the Successor Agency did not include any unspent bond proceeds as of June 30, 2012.
- B. The listing of assets obtained from the Successor Agency did not include any Grant proceeds and program income that are restricted by third parties as of June 30, 2012.
- C. The listing of assets obtained from the Successor Agency includes the following assets that are considered to be legally restricted:

Cash – fund 270	\$ 23,178
Bank overdraft – fund 270	(48,192)
Cash – fund 370	1,499,299
Cash – fund 470 (LMIH)	<u>285,690</u>
Total	\$ <u>1,759,975</u>

The above balances are considered to be legally restricted, as they are less than the legally enforceable obligations of the successor agency, which includes the following:

1992 Series A Tax Bonds	\$ 1,260,000
Note payable to City of Needles for land	1,238,826
Note payable to City of Needles for other purposes	<u>874,000</u>
Total	\$ <u>3,372,826</u>

For the cash balances and obligations listed above, I agreed the balances to the general ledger maintained by the City of Needles Finance Department. For the obligations listed above, the restrictions are in effect until the related assets are expended for their intended purpose.

For the obligations listed above, I obtained copies of the 1992 Series A Tax Bonds indenture and the notes payable to the City of Needles dated September 22, 1998.

- D. Addressed in item C above.

7. A. The listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution includes land held for resale stated at its historical cost of \$182,153.
- B. I traced the cost of \$182,153 to the audited financial statements of the City of Needles as of June 30, 2011.
- C. Not applicable.
- D. Not applicable.

8. A. As detailed in item 6 above, the assets available to satisfy enforceable obligations as of June 30, 2012 are as follows:

Cash – fund 270	\$ 23,178
Bank overdraft – fund 270	(48,192)
Cash – fund 370	1,499,299
Cash – fund 470 (LMIH)	<u>285,690</u>
Total	\$ <u>1,759,975</u>

The above amounts are dedicated to the repayment of the 1992 Series A Tax Bonds and to two notes payable to the City of Needles, as detailed in item 6 above and repeated below.

1992 Series A Tax Bonds	\$ 1,260,000
Note payable to City of Needles for land	1,238,826
Note payable to City of Needles for other purposes	<u>874,000</u>
Total obligations	\$ <u>3,372,826</u>

- i. I obtained copies of the bond indenture and the two notes payable.
- ii. I compared the balances above to the accounting records maintained by the City of Needles Finance Department.
- iii. I compared the enforceable obligations listed above to the recognized obligation payment schedule.
- iv. The above constitutes attaching a schedule to the agreed-upon procedures report.
- B. 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.
- i. I compared the enforceable obligations to those that were approved by the California Department of Finance. I read the letter from the Department of Finance approving Recognized Enforceable Obligations 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. The 1992 bonds and the loan for land were approved. The loan from the City for other purposes was not approved, but the City is contesting this decision via legal action.

- ii. I compared the forecasted annual spending requirements to the legal document supporting each enforceable obligation. I read the bond indenture and the two notes payable agreements.
 - a. I obtained from the Successor Agency its assumptions related to the forecasted annual spending requirements. The spending requirements are spelled out in the bond indenture for the bond payable, but not in the notes payable agreements. For the note payable for land, the spending requirements as approved by City Council are \$200,000 per year. For the contested note payable, no spending requirement has been approved as this note is under litigation.
 - iii. I obtained a schedule of the forecasted annual revenues, including the assumptions used for the forecast. The forecasted annual revenue for the year ending June 30, 2013 is expected to be twenty percent (20%) less than the actual revenue for the fiscal year ended June 30, 2012. This amount is \$340,000. The assumption is that property tax revenues for 2013 will decrease by twenty percent from the 2012 level.
- C. The Successor Agency believes that property tax revenues and other general revenues are not sufficient to pay bond debt service and note payable payments.
 - i. I compared the timing and amount of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. I obtained the assumptions for the forecasted property tax revenues, as specified in item 8 B iii above.
 - iii. The Successor Agency has no general purpose revenues.
- D. The Successor Agency does not have any unrestricted balances necessary for retention in order to meet the enforceable obligations. All balance are restricted for debt service.
 - i. I have combined the amount of current restricted balances and the forecasted annual property tax revenues. This amounts to \$2,189,975 including forecasted property tax revenues for fiscal year 2013 of \$340,000. This is still significantly less than the enforceable obligations (including the contested loan).
 - ii. Since there are no unrestricted balances, there are no unrestricted balances to be retained.
 - iii. There are no unrestricted balances, so there is no calculation to include in the report.
9. The Successor Agency believes that the current cash balances at June 30, 2012 must be retained to satisfy on the ROPS for the period of July 1, 2012 to June 30, 2013. A schedule of enforceable obligations is attached to this report as Attachment B-3, and the schedule includes a column showing the amount of cash needed for debt service, and a column providing the Successor Agency's explanation as to why the cash is needed.

10. A schedule of the computation of the Balance Available for Allocation to Affected Taxing Entities follows:

	Debt Service <u>Fund</u>	All Other <u>Funds</u>	<u>Total</u>
Cash on hand June 30, 2012	\$ 1,499,299	260,676	1,759,975
Projected tax revenue fiscal year 2013	<u>340,000</u>	<u>-</u>	<u>340,000</u>
Total resources available	1,839,299	260,676	2,099,975
Less: Enforceable obligations	<u>(1,839,299)</u>	<u>(234,765)</u>	<u>(2,074,064)</u>
Balance Available for Allocation to Affected Taxing Entities	-	25,911	25,911
Amount paid to County Controller in July 2012 with check number 095998 dated 7/11/12	<u>-</u>	<u>(181,918)</u>	<u>(181,918)</u>
Net amount available	\$ <u>-</u>	<u>(156,007)</u>	<u>(156,007)</u>

11. I have obtained a representation letter from the Successor Agency management acknowledging their responsibility for the data provided to me and the data presented in the report and its attachments.

Successor Agency to the Redevelopment Agency of the City of Needles, CA

Exhibit - B

Summary of Financial Transactions

6/30/2012

	Redevelopment	Redevelopment	Redevelopment	Successor Agency: 5 Months Ended 6/30/2012			
	Agency	Agency	Agency	Non-Housing		Low & Mod	
	12 Months Ended	12 Months Ended	7 Months Ended	Operations	Debt Service	Income Housing	Total
	6/30/2010	6/30/2011	1/31/2012	Fund 270	Fund 370	Fund 470	
Assets (modified accrual basis)							
Cash and Investments	\$ 1,331,224	\$ 1,744,192	\$ -	\$ -	\$ 1,499,299	\$ 285,690	\$ 1,784,989
Interest receivable on investments	736	-	-	-	-	-	-
Land held for resale	182,153	182,153	-	182,153	-	-	182,153
Total Assets	\$ 1,514,113	\$ 1,926,345	\$ -	\$ 182,153	\$ 1,499,299	\$ 285,690	\$ 1,967,142
Liabilities (modified accrual basis)							
Accounts payable	\$ -	\$ -	\$ -	\$ 2,869	\$ -	\$ -	2,869
Due to other Governments	239,247	239,247	-	-	239,247	-	239,247
Bank Overdraft	-	-	-	25,014	-	-	25,014
Total Liabilities	\$ 239,247	\$ 239,247	\$ -	\$ 27,883	\$ 239,247	\$ -	\$ 267,130
Equity	1,274,866	1,687,098	-	154,270	1,260,052	285,690	1,700,012
Total Liabilities + Equity	\$ 1,514,113	\$ 1,926,345	\$ -	\$ 182,153	\$ 1,499,299	\$ 285,690	\$ 1,967,142
Total Revenues:	\$ 317,765	\$ 625,768	\$ 378,577	\$ -	\$ 53,347	\$ 23,331	\$ 76,678
Total Expenditures:	\$ 404,321	\$ 213,536	\$ 176,187	\$ 38,394	\$ 4,429	\$ -	\$ 42,823
Total Transfers:	\$ -	\$ -	\$ (1,889,488)	\$ 192,664	\$ 1,211,134	\$ 262,359	\$ 1,666,157
Net change in equity	\$ (86,556)	\$ 412,232	\$ (1,687,098)	\$ 154,270	\$ 1,260,052	\$ 285,690	\$ 1,700,012
Beginning Equity:	\$ 1,361,422	\$ 1,274,866	\$ 1,687,098	\$ -	\$ -	\$ -	\$ -
Ending Equity:	\$ 1,274,866	\$ 1,687,098	\$ -	\$ 154,270	\$ 1,260,052	\$ 285,690	\$ 1,700,012
Other Information (year end balances for all three years presented):							
Capital assets as of end of year	\$ 182,153	182,153	182,153	182,153	-	-	182,153
Long-term debt as of end of year:							
Note Payable - City of Needles	\$ 1,238,826	\$ 1,238,826	\$ 1,138,826	-	1,138,826	-	1,138,826
Loan payable - City of Needles	874,009	874,009	774,009	-	774,009	-	774,009
Loan Payable - Needles Public Financing Authority	1,325,000	1,260,000	1,190,000	-	1,190,000	-	1,190,000
Total Long-term debt	\$ 3,437,835	\$ 3,372,835	\$ 3,102,835	\$ -	\$ 3,102,835	\$ -	\$ 3,102,835

Transfers out are the extraordinary gains/losses recorded to transfer assets and liabilities to the Successor Agency.