



AGENDA

ADJOURNED MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

JANUARY 9, 2013
4:30 P.M.

Council Chambers
11710 Telegraph Road
Santa Fe Springs, CA 90670

Gerald Caton, Chairperson
Leighton Anderson, Vice Chairperson
Mike Foley, Board Member
Louie Gonzalez, Board Member
Cuong Nguyen, Board Member
Harry Stone, Board Member
Noorali Delawalla, Board Member

Public Comment: The public is encouraged to address the Oversight Board on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the Oversight Board, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk or a member of staff. The Oversight Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The Oversight Board will hear public comment on matters not listed on the agenda during the Oral Communications period.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The Oversight Board may direct staff to investigate and/or schedule certain matters for consideration at a future meeting.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Please Note: Agendas are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday and alternate Fridays. Telephone (562) 868-0511.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and roll call vote. Any item may be removed from the Consent Agenda and considered separately by the Oversight Board.

Approval of Minutes

A. Minutes of the December 12, 2012 Regular Oversight Board Meeting

Recommendation: That the Oversight Board approve the minutes as submitted.

NEW BUSINESS

5. Resolution No. OB-2013-011: Adopting the Independent Auditor's Due Diligence Review of Non-Housing Funds

Recommendation: That the Oversight Board: 1). Adopt Oversight Board Resolution No. OB-2013-011 Adopting the Non-Housing Due Diligence Review Report Prepared Pursuant to Section 34179.5; and, 2). Direct Successor Agency Staff to Transmit the Final Report to the CAC and DOF Pursuant to the Dissolution Act.

6. ORAL COMMUNICATIONS

This is the time when comments may be made by interested persons on matters not on the agenda having to do with Oversight Board business.

7. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.

Anita Jimenez

Anita Jimenez, CMC
Santa Fe Springs
Oversight Board Clerk

January 3, 2013

Date

**MINUTES OF THE REGULAR MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT
AGENCY OF THE CITY OF SANTA FE SPRINGS**

DECEMBER 12, 2012

1. CALL TO ORDER

The meeting was called to order at 4:35 p.m.

2. ROLL CALL

Present: Board Members Foley, Nguyen, and Stone, Chair Caton, Board Clerk Anita Jimenez

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Board Member Stone.

4. CONSENT AGENDA

Approval of Minutes

A. Minutes of the October 24, 2012 Adjourned Oversight Board Meeting

Recommendation: That the Oversight Board approve the minutes as submitted.

Board Member Stone moved to approve Item 4A; Board Member Foley seconded the motion which passed 4-0.

NEW BUSINESS

5. Receive Due Diligence Report and Solicit Public Comment

Recommendation: That the Oversight Board: 1). Receive the Independent Accountant's Report for the Successor Agency to the City of Santa Fe Springs Community Development Commission, All other Funds of Former Dissolved Redevelopment Agency (Excludes the Low and Moderate Income Housing Fund) due Diligence Review (Health and Safety Code Sections 34179.5); 2). Convene a Public Comment Session; and, 3). Schedule another meeting of the Oversight Board, no sooner than five (5) days from December 12, and no later than January 15, 2013, for final consideration of the subject Due Diligence Report.

Travis Hickey presented the staff report. There were no questions from the Board.

Board Member Stone moved Recommendation 1 of Item 5; Board Member Nguyen seconded the motion which passed 4-0.

At 4:47 p.m., Chair Caton opened the Public Comment period. No members of the audience came forward to speak on this item.

The Public Comment period will remain open for 5 days. Any correspondence received on the item will be forwarded to the Board for consideration.

The Board agreed to schedule the next meeting on Jan. 9, 2013, for final consideration of the Due Diligence Report.

6. ORAL COMMUNICATIONS

Chair Caton opened Oral Communications at 4:49 p.m. There being no one wishing to speak, Oral Communications were closed.

7. ADJOURNMENT

At 4:50 p.m., Chair Caton adjourned the meeting to Wednesday, January 9, 2013, at 4:30 p.m.

ATTEST:

Anita Jimenez, Board Clerk

Date

NEW BUSINESS

**Oversight Board
January 9, 2013**

TO: Oversight Board Members

FROM: Successor Agency to the Santa Fe Springs CDC

ORIGINATED BY: Thaddeus McCormack, City Manager

SUBJECT: Resolution No. OB-2013-011: Adopting the Independent Auditor's Due Diligence Review of Non-Housing Funds

RECOMMENDED ACTION

That the Oversight Board:

- 1) Adopt Oversight Board Resolution No. OB-2013-011 Adopting the Non-Housing Due Diligence Review Report Prepared Pursuant to Section 34179.5; and,
- 2) Direct Successor Agency Staff to Transmit the Final Report to the CAC and DOF Pursuant to the Dissolution Act.

BACKGROUND

At the Oversight Board meeting of December 12, 2012, the Oversight Board took action to receive the Independent Accountant's Report regarding "All Other Funds" (Excluding the Low and Moderate Income Housing Fund) Due Diligence Review ("All Other Funds DDR") prepared pursuant to Section 34179.5 of the Dissolution Act; further, the Board convened the public comment session and directed transmittal of the draft report to the County Administrative Officer (CAO), County Auditor-Controller (CAC), State Controller's Office (SCO), and Department of Finance (DOF).

A period of not less than five (5) business days has elapsed since the Oversight Board convened the public comment session, made the report available for public review, and transmitted the report to the CAO, CAC, SCO, and DOF. At this meeting, the Oversight Board will review and consider any public comments (please note that no public comments have been received as of this writing), and the results/opinions, if any, offered by the CAC about the All Other Funds DDR.

As background and as explained at the December 12 meeting, the All Other Funds DDR was conducted by MGO Certified Public Accountants, the licensed accountant selected by the Successor Agency and approved by the CAC (Accountant), applying the standards/agreed upon procedures prepared jointly by the SCO, DOF, and the California

Society of Certified Public Accountants. The report (attached) reviewed cash, transfers prior to and following dissolution of the former Community Development Commission on February 1, 2012, and assets needed to pay approved enforceable obligations. Generally, the activities noted in the report reflect transactions associated with the former Agency in the course of implementation of its redevelopment responsibilities, the transfer of all non-housing assets to the Successor Agency on or about February 1, 2012, and identification of assets needed for existing enforceable obligations.

The primary findings from the All Other Funds DDR is the balance of the Funds subject to this report (non-low and moderate income housing funds) remaining with Successor Agency as of June 30, 2012, available for disbursement to taxing agencies is \$5,276,055.

The public comments, if any, received and the results/opinion of the CAC, if any, are attached to this report for review and consideration by the Oversight Board. After review and consideration of such input, the All Other Funds DDR requires final approval by the Oversight Board and direction to cause transmittal of the final report to the CAC and DOF.

Section 34179.6, subdivisions (c) and (d) set forth the Oversight Board's authority in its consideration and final action on the due diligence review report, including directing retention of certain assets:

(c) By January 15, 2013, for all funds, excluding the Low and Moderate Income Housing Fund, the oversight board shall review, approve, and transmit to the department and the county auditor-controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5. The oversight board may adjust any amount provided in the review to reflect additional information and analysis. The review and approval shall occur in public sessions. The oversight board may request from the successor agency any materials it deems necessary to assist in its review and approval of the determination. The oversight board shall be empowered to authorize a successor agency to retain assets or funds identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision (c) of Section 34179.5.^[1] An oversight board that makes that authorization also shall identify to the department the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. The determination and authorization to retain funds and assets shall be subject to the review and approval of the department [DOF] pursuant to subdivision (d).

(d) The department may adjust any amount associated with the determination of the resulting amount described in paragraph (6) of subdivision (c) of Section 34179.5 [Nov. demand payment] based on its analysis and information provided by the successor agency and others. The department shall consider any findings or opinions of the county auditor-controllers and the Controller. The department shall complete its review of the

determinations provided pursuant to subdivision (c) no later than April 1, 2013, for all funds, excluding the Low and Moderate Income Housing Fund and also shall notify the oversight board and the successor agency of its decision to overturn any decision of the oversight board to authorize a successor agency to retain assets or funds made pursuant to subdivision (c).” [Emphasis added.]

¹ Section 34179.5(c)(5)(B)-(E) provides:

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

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

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

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

If DOF requests review of the above Board actions, it will have 10 days from the date of its request to approve the Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF.

As listed above, the balance of all non-housing assets remaining with Successor Agency as of June 30, 2012 and available for disbursement to taxing agencies: \$5,276,055. The attached Resolution adopts the All Other Funds DDR report and authorizes transmittal of the final report to the CAC and DOF.

A handwritten signature in black ink, appearing to read 'Thaddeus McCormack', is positioned above the printed name and title.

Thaddeus McCormack
City Manager

Attachments:

1. Oversight Board Resolution No. OB-2013-011
2. All Other Funds DDR
3. Public Comments (if any)
4. Results/Opinions Offered by CAC (if any)

RESOLUTION NO. OB-2013-011

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS ADOPTING THE DUE DILIGENCE REVIEW FOR NON-HOUSING FUNDS

WHEREAS, the Successor Agency retained a licensed accountant, approved by the County of Los Angeles Auditor Controller, as required by Health and Safety Code section 34179.5 to complete two Due Diligence Reviews of the funds of the former Community Development Commission/Redevelopment Agency ("Agency"); and

WHEREAS, the Successor Agency provided the Due Diligence Review of Non-Housing Funds (AKA, All Other Funds, excluding the Low and Moderate Income Housing Fund) to the County Auditor-Controller, the State Controller, and the Department of Finance prior to December 15, 2012; and

WHEREAS, the Oversight Board convened a public comment session in accordance with Health and Safety Code Section 34179.6 (b) on December 12, 2012, where the Oversight Board received and reviewed the findings of the Due Diligence Review for Non-Housing Funds;

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE (SANTA FE SPRINGS) SUCCESSOR AGENCY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. The Oversight Board has reviewed the Due Diligence Review of Non-Housing Funds and considered comments and opinions received from members of the public and from the County Auditor-Controller.

SECTION 3. After completing such review, the Oversight Board hereby adopts the Due Diligence Review of the Agency's Non-Housing Funds, attached hereto and incorporated by reference herein.

SECTION 4. The Successor Agency staff are hereby authorized and directed to transmit this resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

SECTION 6. The Oversight Board Clerk shall certify to the adoption of this resolution.

APPROVED and ADOPTED this 9th day of January, 2013.

Chairperson

Attest:

Oversight Board Clerk

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT
COMMISSION FOR THE
CITY OF SANTA FE SPRINGS**

Independent Accountant's Report on
Applying Agreed-Upon Procedures
to the Successor Agency to the
Community Development Commission
for the City of Santa Fe Springs

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



Certified Public Accountants.

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**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS**

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Certified Public Accountants.

Newport Beach
4675 MacArthur Court, Suite 600
Newport Beach, CA 92660
949.221.0025

Sacramento

Walnut Creek

Oakland

LA/Century City

San Diego

Seattle

Successor Agency to the Community Development Commission
For the City of Santa Fe Springs
Santa Fe Springs, 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 Community Development Commission for the City of Santa Fe Springs (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, excluding assets transferred 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, excluding assets transferred 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
November 29, 2012

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**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
Attachment A - Agreed-Upon Procedures and Findings**

Our procedures and findings are as follows:

1) **Procedure:**

Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency, excluding assets transferred from the Low and Moderate Income Housing Fund of the former redevelopment 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 \$67,411,459 from the former redevelopment agency to the Successor Agency, excluding assets transferred from the Low and Moderate Income Housing Fund of the former redevelopment agency, on February 1, 2012. We agreed the transfers to account balances established in the 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 (excluding payments for goods and services) from the former redevelopment agency, excluding the Low and Moderate Income Housing Fund, 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 (excluding payments for goods and services) from the Successor Agency, excluding the Low and Moderate Income Housing Fund 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 COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
Attachment A - Agreed-Upon Procedures and Findings (Continued)**

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

For procedures 2A and 2C, we noted a transfer of land to the City in the amount of \$1,811,846. However, the Successor Agency was unable to provide a legal document that formed the basis for the enforceable obligation or other legal requirement that required such transfer. We noted no other exceptions for all other asset transfers. Please refer to Exhibit A for the results of the procedures performed.

Procedure 2B is not applicable to the Successor Agency as there were no transfers from the Successor Agency to the City for the period from February 1, 2012 through June 30, 2012.

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 (excluding payments for goods and services) from the former redevelopment agency, excluding the Low and Moderate Income Housing Fund, 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 (excluding payments for goods and services) from the former redevelopment agency, excluding the Low and Moderate Income Housing Fund, 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 State Controller's Office has not completed its review of transfers as of the date of this report. Transfers to other public agencies or private parties, as defined in Health and Safety Code 34179.5 (C)(3), is the "...dollar value of any cash and cash equivalents transferred after January 1, 2011, through June 30, 2012..." There were no transfers of cash and cash equivalents from the former redevelopment agency or Successor Agency to other public agencies or private parties. As such, procedures 3A through 3C are not applicable.

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
Attachment A - Agreed-Upon Procedures and Findings (Continued)**

4) **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. Describe in the report the type of support provided for each fiscal period.

Findings: No exceptions were noted as a result of the procedure performed. The financial data for the fiscal periods ending June 30, 2010 and 2011, is supported by the audited financial statements. The financial data for the period ending January 31, 2012 and June 30, 2012, is supported by trial balances from the Successor Agency accounting records. Please refer to Exhibit B for a summary of the financial transactions.

5) **Procedure:**

Obtain from the Successor Agency a listing of all assets of the Successor Agency, excluding the Low and Moderate Income Housing Fund assets 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 performed. Please refer to Exhibit C for a listing of all assets of the Successor Agency, excluding the Low and Moderate Income Housing Fund Assets held by the Successor Agency, as of June 30, 2012.

6) **Procedures:**

Obtain from the Successor Agency a listing of asset balances held on June 30, 2012, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, 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.)

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
Attachment A - Agreed-Upon Procedures and Findings (Continued)**

- 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 (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 Successor Agency's restricted asset balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, as of June 30, 2012.

7) **Procedures:**

- A. Obtain from the Successor Agency a listing of assets, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, as of June 30, 2012 that are **not**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
Attachment A - Agreed-Upon Procedures and Findings (Continued)**

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 7A 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 7B, 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 7A 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: As a result of performing procedure 2 in Attachment A, it was noted that a parcel of land of \$1,811,846 transferred to the City was not supported by a legal document supporting the basis for an enforceable obligation, thus a finding as noted in Exhibit A. Based on this finding, this asset has been included in the Exhibit E, even though the Successor Agency did hold this asset at June 30, 2012. Please refer to Exhibit E for the listing of Successor Agency's asset balances other than cash and cash equivalents, excluding the Low and Moderate Income Housing Fund Assets held by the Successor Agency, as of June 30, 2012.

8) Procedures:

- A. If the Successor Agency believes that asset balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, 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

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
Attachment A - Agreed-Upon Procedures and Findings (Continued)**

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 (excluding the Low and Moderate Income Housing Fund held by the Successor Agency) 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 8A, B, or C were performed, calculate the amount of current unrestricted balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, 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.

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
Attachment A - Agreed-Upon Procedures and Findings (Continued)**

- 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: For procedures 8A and 8D, we noted the Successor Agency did not believe that asset balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, pertaining to this procedure are dedicated or restricted for the funding of enforceable obligations. Procedures 8B and 8C are not applicable to the Successor Agency.

9) **Procedure:**

If the Successor Agency believes that, as of June 30, 2012, cash balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, 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.

Findings: Based on our inquiry with management, the Successor Agency believes that \$3,497,674 of the cash balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, 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 F for the results of this procedure.

10) **Procedure:**

Include 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.

Finding: No exceptions were noted as a result of the procedure performed. Please refer to Exhibit G for the results of this procedure.

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
Attachment A - Agreed-Upon Procedures and Findings (Continued)**

11) **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 either the former redevelopment agency or the Successor Agency, excluding assets transferred from the Low and Moderate Income Housing Fund, 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.

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT A - FORMER REDEVELOPMENT AGENCY, EXCEPT ITS LOW AND MODERATE INCOME HOUSING FUND HELD BY THE SUCCESSOR AGENCY, ASSETS TRANSFERRED
TO THE CITY OF SANTA FE SPRINGS 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
1	Land - Neville Property	City of Santa Fe Springs	3/10/2011	\$ 1,811,846	The former redevelopment agency transferred land to the City for securing assets of the former redevelopment agency that are intended to ultimately benefit the City's General fund. However, management was unable to provided a legal document that formed the basis for the enforceable obligation or other legal requirement that required such transfer.	\$ 1,811,846
2	Cash and investments	City of Santa Fe Springs	3/10/2011	8,846,000	The former redevelopment agency transferred cash to the City for principal payments of the operating loans executed through Promissory Notes dated September 23, 2010.	-
3	Cash and investments	City of Santa Fe Springs	3/10/2011	491,498	The former redevelopment agency transferred cash to the City for interest payments of the operating loans executed through Promissory Notes dated September 23, 2010.	-
4	Cash and investments	City of Santa Fe Springs	1/31/2012	8,902,000	The former redevelopment agency transferred cash to the City for principal payments of the operating loans executed through Promissory Notes dated August 25, 2011.	-
5	Cash and investments	City of Santa Fe Springs	1/31/2012	465,343	The former redevelopment agency transferred cash to the City for interest payments of the operating loans executed through Promissory Notes dated August 25, 2011.	-
				<u>\$ 20,516,687</u>		<u>\$ 1,811,846</u>

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**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT B - SUMMARY OF FINANCIAL TRANSACTIONS**

	Redevelopment Agency 12 Months Ending 6/30/2010	Redevelopment Agency 12 Months Ending 6/30/2011	Redevelopment Agency 7 Months Ending 1/31/2012	Successor Agency 5 Months Ending 6/30/2012
Assets:				
Cash and investments	\$ 43,672,922	\$ 32,953,449	\$ 40,548,783	\$ 35,605,525
Cash and investments with fiscal agent	23,060,856	22,989,243	13,790,369	21,858,677
Accounts receivable	305,393	320,978	351,560	311,878
Accrued interest receivable	203,064	52,106	26,790	16,495
Due from other governments	1,526,790	3,548,032	215,013	20,725
Due from other funds	1,643,453	1,577,068	-	-
Due from the City of Santa Fe Springs	1,544,479	-	-	-
Deposits	3,352,000	2,000,000	2,000,000	1,000,000
Loans and notes receivable	2,507,444	717,444	764,444	664,444
Land held for resale	11,420,830	11,815,108	11,351,920	10,550,120
Advances receivable from City	1,437,861	1,437,861	1,437,861	-
Advances receivable from other funds	11,653,876	3,193,445	3,193,445	-
Total assets	\$ 102,328,968	\$ 80,604,734	\$ 73,680,185	\$ 70,027,864
Liabilities:				
Accounts payable	\$ 999,500	\$ 269,190	\$ 39,266	\$ 682,587
Contracts payable	526,820	510,889	188,145	313,659
Due to other funds	1,643,453	1,577,068	-	-
Other accrued liabilities	97,327	108,703	-	40,722
Deposits	477,970	496,971	106,825	106,825
Deferred revenues	119,589	10,980	-	9,765,390
Due to other governments	-	-	13,102,582	8,369,447
Advances payable	11,653,876	3,193,445	3,193,445	3,193,445
Total liabilities	15,518,535	6,167,246	16,630,263	22,472,075
Equity	86,810,433	74,437,488	57,049,922	47,555,789
Total liabilities and equity	\$ 102,328,968	\$ 80,604,734	\$ 73,680,185	\$ 70,027,864
Total revenues:	\$ 33,835,413	\$ 31,968,418	\$ 10,172,218	\$ 5,366,871
Total expenditures:	55,047,473	47,177,531	27,559,784	6,168,434
Total transfers and other financing sources and uses	6,311,518	5,988,168	-	-
Extraordinary gain	-	-	-	48,357,352
Net change in equity	(14,900,542)	(9,220,945)	(17,387,566)	47,555,789
Beginning equity:	101,710,975	83,658,433 *	74,437,488	-
Ending equity:	\$ 86,810,433	\$ 74,437,488	\$ 57,049,922	\$ 47,555,789
Reconciliation of former redevelopment agency ending equity as of January 31, 2012 to the Successor Agency's extraordinary gain as of June 30, 2012				
Ending equity			\$ 57,049,922	
Transfer to Housing Successor			(8,692,570)	
Extraordinary gain on RDA dissolution			(48,357,352)	
Successor Agency beginning equity			\$ -	
Other Information				
Capital Assets as of end of year	\$ 14,687,289	\$ -		\$ -
Long term debt as of end of year	\$ 158,310,865	\$ 141,616,803		\$ 135,770,153

* In the fiscal year 2011, the beginning equity was restated from \$86,810,433 to \$83,658,433.

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**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT C - SUCCESSOR AGENCY ASSETS, EXCLUDING LOW AND MODERATE INCOME
HOUSING FUND ASSETS HELD BY THE SUCCESSOR AGENCY, AS OF JUNE 30, 2012**

Assets	6/30/2012
Cash and investments	\$ 35,605,525
Cash and investments with fiscal agent	21,858,677
Accounts receivable	311,878
Accrued interest receivable	16,495
Due from other governments	20,725
Deposits	1,000,000
Loans and notes receivable	664,444
Land held for resale	10,550,120
Deferred charge for issuance costs	2,234,170
Total assets	<u>\$ 72,262,034</u>

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SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT D - SUCCESSOR AGENCY RESTRICTED ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND RESTRICTED ASSETS TRANSFERRED
TO THE SUCCESSOR AGENCY, AS OF JUNE 30, 2012

Assets		6/30/2012	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.
A. Unspent Bond Proceeds					
2006A Tax Allocation Bonds unspent proceeds		\$ 14,859,873	Not applicable	Accounting records	The 2006 Tax Allocation Bond Series A Official Statement restricts the use of bond proceeds until the related assets are expended for their intended purpose
2006B Tax Allocation Bonds unspent proceeds		286,474	Not applicable	Accounting records	The 2006 Tax Allocation Bond Series B Official Statement restricts the use of bond proceeds until the related assets are expended for their intended purpose
2001 Tax Allocation Bonds unspent proceeds		1,966,229	Not applicable	Accounting records	The 2001 Tax Allocation Bond Series A Official Statement restricts the use of bond proceeds until the related assets are expended for their intended purpose
2002 Tax Allocation Bonds unspent proceeds		1,084,672	Not applicable	Accounting records	The 2002 Tax Allocation Bond Series A Official Statement restricts the use of bond proceeds until the related assets are expended for their intended purpose
1992 Tax Allocation Bonds unspent proceeds		207,573	Bond reserves	Trustee Statements	The 1992 Tax Allocation Bond Official Statement restricts the use of bond proceeds until the related asset are expended for their intended purpose
1992 Tax Allocation Bonds unspent proceeds		8,580,253	Bond reserves	Trustee Statements	The 1992 Tax Allocation Bond Official Statement restricts the use of bond proceeds until the related asset are expended for their intended purpose
2001 Tax Allocation Bonds unspent proceeds		2,357,077	Bond reserves	Trustee Statements	The 2001 Tax Allocation Bond Official Statement restricts the use of bond proceeds until the related assets are expended for their intended purpose.
2002 Tax Allocation Bonds unspent proceeds		510,118	Bond reserves	Trustee Statements	The 2002 Tax Allocation Refunding Bond Official Statement restricts the use of bond proceeds until the related assets are expended for their intended purpose.
2006A Tax Allocation Bonds unspent proceeds		929,266	Bond reserves	Trustee Statements	The 2006 A Tax Allocation Bond Official Statement restricts the use of bond proceeds until the related assets are expended for their intended purpose.
2006B Tax Allocation Bonds unspent proceeds		635,990	Bond reserves	Trustee Statements	The 2006 B Tax Allocation Bond Official Statement restricts the use of bond proceeds until the related assets are expended for their intended purpose.
2007A Tax Allocation Bonds unspent proceeds		42,282	Bond reserves	Trustee Statements	The 2007 A Tax Allocation Bond Official Statement restricts the use of bond proceeds until the related assets are expended for their intended purpose.
Total Assets		\$ 31,459,807			

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT D - SUCCESSOR AGENCY RESTRICTED ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND RESTRICTED ASSETS TRANSFERRED
TO THE SUCCESSOR AGENCY, AS OF JUNE 30, 2012 (CONTINUED)

Assets		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.	
B. Grant Proceeds and Program Income		6/30/2012	Computation of the Restricted Balance		
Total Assets		\$ -			
C. Other Assets Considered Legally Restricted					
Cash and investment with fiscal agent	\$ 1,378,648	Amount received from ROPS II installment and held with fiscal agent for Sept 1, 2012 bond payments	Trustee Statements	The 2001 Tax Allocation Bond Series A Bond Official Statements and ROPS II restrict the use of restricted cash until the related assets are expended for the payment of principal and interest on the Bonds.	
Cash and investment with fiscal agent	3,785,861	Amount received from ROPS II installment and held with fiscal agent for Sept 1, 2012 bond payments	Trustee Statements	The 2002 Tax Allocation Refunding Bonds Official Statement and ROPS II restrict the use of restricted cash until the related assets are expended for the payment of principal and interest on the Bonds.	
Cash and investment with fiscal agent	100,556	Amount received from ROPS II installment and held with fiscal agent for Sept 1, 2012 bond payments	Trustee Statements	The 2006 Tax Allocation Bonds Series A Official Statement and ROPS II restrict the use of restricted cash until the related assets are expended for the payment of principal and interest on the Bonds.	
Cash and investment with fiscal agent	1,846,928	Amount received from ROPS II installment and held with fiscal agent for Sept 1, 2012 bond payments	Trustee Statements	The 2006 Tax Allocation Bonds Series B Official Statement and ROPS II restrict the use of restricted cash until the related assets are expended for the payment of principal and interest on the Bonds.	
Cash and investment with fiscal agent	1,484,125	Amount received from ROPS II installment and held with fiscal agent for Sept 1, 2012 bond payments	Trustee Statements	The 2007 Tax Allocation Bonds Series A Official Statement and ROPS II restrict the use of restricted cash until the related assets are expended for the payment of principal and interest on the Bonds.	
Cash and investments	43,650	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Trustee Report	Unclaimed for 1992 Refunded Bond called in 2006. Asset is restricted until it is claimed by the bond holders	
Cash and investments	188,145	Retention payable	Accounting Records	Retention due to various contractors upon completion of Neighborhood Center Project. Asset is restricted until the project is complete, and retention is paid.	
Cash and investments	33,306	Accounts payable	Accounting Records	Accrued accounts payable outstanding as of 06/30/2012. Assets is restricted until the liability is paid.	
Cash and investments	228,095	Due to other Governments	Accounting Records	The asset is restricted to pay for statutory pass-through payment pursuant to Health & Safety Code sections 33607.5 and 33607.7 (AB 1290). Asset is restricted until the obligation is paid.	
Total Assets	\$ 9,089,314				
Summary of Restricted Assets Listed in Sections A, B and C		\$ 40,549,121			

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS
**EXHIBIT E - SUCCESSOR AGENCY ASSETS OTHER THAN CASH AND CASH EQUIVALENTS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND ASSETS
 TRANSFERRED TO THE SUCCESSOR AGENCY, AS OF JUNE 30, 2012**

Asset	6/30/2012	Basis (i.e. Book Value/Fair Market Value)	Description of the records provided supporting the book value listed (i.e. previously audited financial statements or the accounting records) and any differences noted. If differences pertain to disposal of assets, note whether the proceeds were deposited into the Successor Agency.	Description of the methodology used to support the market value listed. If no evidence is available to support the value and/or the methodology used, note as a finding in the report.
Accounts receivable	\$ 311,878	Book Value	Accounting Records	Not applicable - book value
Accrued interest receivable	16,495	Book Value	Accounting Records	Not applicable - book value
Due from other governments	20,725	Book Value	Accounting Records	Not applicable - book value
Deposits	1,000,000	Book Value	Accounting Records	Not applicable - book value
Loans and notes receivable	664,444	Book Value	Accounting Records	Not applicable - book value
Land held for resale	10,550,120	Book Value	Accounting Records	Not applicable - book value
Land - Neville Property	1,811,846 *	Book Value	Accounting Records	Not applicable - book value
Deferred charge for issuance costs	2,234,170	Book Value	Accounting Records	Not applicable - book value
Total Assets	\$ 16,609,678			

* As a result of performing procedure 2 in Attachment A, it was noted that a parcel of land transferred to the City was not supported by a legal document supporting the basis for an enforceable obligation, thus a finding as noted in Exhibit A. Based on this finding, this asset has been included in the schedule above, even though the Successor Agency did hold this asset at June 30, 2012.

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SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT F- RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2012 THROUGH DECEMBER 31, 2012 (EXCERPT)

Project Name / Debt Obligation	Payee	Description	Source	Outstanding Debt or Obligation Period Beginning	Payments by month						Outstanding Debt or Obligation Period End	Amount of Existing Cash Needed to be Retained	Successor Agency rationale for retaining cash balances to satisfy the obligation
					July	August	September	October	November	December	Total		
2003 ERAF Loan (Combined)	CSCDA	Loan to Fund 2005 ERAF Payment	RPTIF	\$ 974,120	\$ -	\$ -	\$ -	\$ 122,031	\$ -	\$ -	\$ 122,031	\$ 122,031	ROPS II installment is not sufficient to pay for obligation.
2006 ERAF Loan (Combined)	CSCDA	Loan to Fund 2006 ERAF Payment	RPTIF	1,287,344	-	-	-	128,310	-	-	128,310	128,310	ROPS II installment is not sufficient to pay for obligation.
Neighborhood Center Renovation Project	City of SFS	Renovation of Neighborhood Center	RPTIF	2,838,374	473,062	473,062	473,062	473,062	473,062	473,062	2,838,374	2,838,374	ROPS II installment is not sufficient to pay for obligation, and cash on hand received from ROPS II installment needed to be retained to pay for obligation.
Fiscal Agent Fees	US Bank	Fiscal Agent Fees	RPTIF	30,000	-	-	-	-	-	30,000	30,000	30,000	ROPS II installment is not sufficient to pay for obligation.
Arbitrage Fees	Bond Logistix	Arbitrage Consulting Services	RPTIF	4,500	-	-	-	-	-	4,500	4,500	4,500	ROPS II installment is not sufficient to pay for obligation.
Administrative Expenses	City of SFS	Successor Agency Administration	RPTIF	850,200	70,850	70,850	70,850	70,850	70,850	20,209	374,459	374,459	ROPS II installment is not sufficient to pay for obligation.
GRAND TOTAL:												\$ 3,497,674	

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**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
FOR THE CITY OF SANTA FE SPRINGS
EXHIBIT G - SUCCESSOR AGENCY ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND, ASSETS
TRANSFERRED TO THE SUCCESSOR AGENCY, THAT ARE AVAILABLE TO DISTRIBUTE TO AFFECTED TAXING
ENTITIES AS OF JUNE 30, 2012**

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 5)	\$ 72,262,034
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)	1,811,846
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	(40,549,121)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(16,609,678)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)	-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	(3,497,674)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	<u>(8,141,352)</u>
Amount to be remitted to county for disbursement to taxing entities	<u><u>\$ 5,276,055</u></u>

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