AGENDA
SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE
EL CERRITO REDEVELOPMENT SUCCESSOR AGENCY

Wednesday, March 6, 7:00 p.m.

El Cerrito City Council Chambers
10890 San Pablo Avenue
El Cerrito CA, 94530

1. Call to Order
2. Roll Call
3. Board/Staff Communications
4. Public Comment
   Comments are limited to 3 minutes per speaker.
5. New Business Items
   A. Approval of Minutes
      Approve the February 26, 2013 Oversight Board of the El Cerrito Redevelopment Successor Agency special meeting minutes.
   B. Consideration of Due Diligence Reviews of the Housing and Non-Housing Funds
      Adopt resolutions approving 1) the Independent Accountant’s Report on applying agreed upon procedures on the low and moderate income housing funds of the former El Cerrito Redevelopment Agency and 2) the Independent Accountant’s Report on applying agreed-upon procedures on the Successor Agency to the El Cerrito Redevelopment Agency, excluding low and moderate income housing funds, both prepared as prescribed by Section 34179.5 of the California Health and Safety Code.

Adjournment

- Oversight Board meetings are not televised.
- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Clerk, (510) 215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title I).
OVERSIGHT BOARD OF THE EL CERRITO REDEVELOPMENT SUCCESSOR AGENCY

MINUTES

SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE
EL CERRITO REDEVELOPMENT SUCCESSOR AGENCY

Tuesday, February 26, 2013, 7:00 p.m.

El Cerrito City Council Chambers
10890 San Pablo Avenue
El Cerrito CA, 94530

1. Call to Order

Chairperson Jones called the special meeting to order at 7:01 p.m.

2. Roll Call

Present: Directors Friedman, Kronenberg, Myall, Potter, Solseng and Chair Jones.
Absent: Director Dotson.

3. Board/Staff Communications None.

4. Public Comment No speakers.

5. New Business Items

A. Approval of Minutes

Approve the November 15, 2012 Oversight Board of the El Cerrito Redevelopment Agency Successor Agency special meeting minutes.

Action: Moved, seconded (Myall/Kronenberg; Ayes – Directors Friedman, Kronenberg, Myall, and Chair Jones; Noes – None; Abstain – Directors Potter and Solseng; Absent – Director Dotson) and carried to approve the November 15, 2012 meeting minutes.
B. Successor Agency’s FY 2013-14 Administrative Budget; a Cash Flow Loan Agreement Between the City and the Successor Agency; and the Draft Recognized Obligation Payment Schedule 13-14A for the July-December 2013 Period

Adopt Oversight Board resolutions approving 1) the Successor Agency’s FY 2013-14 Administrative Budget; 2) a Cash Flow Loan Agreement Between the City of El Cerrito and the El Cerrito Redevelopment Agency Successor Agency, pursuant to Health & Safety Code Section 34173(h); and 3) the draft Recognized Obligation Payment Schedule 13-14A for the July-December 2013 period.

**Presenter:** Lori Treviño, Economic Development Manager.

**Actions:** The Oversight Board took action on all three resolutions in one motion. Moved, seconded (Friedman/Potter; Ayes – Directors Friedman, Kronenberg, Myall, Potter, Solseng and Chair Jones; Noes – None; Absent – Director Dotson) and carried to: 1) Adopt Resolution No. 2013–1, the Successor Agency’s FY 2013-14 administrative budget; 2) Adopt Resolution No. 2013-2, a Cash Flow Loan Agreement Between the City of El Cerrito and the El Cerrito Redevelopment Agency Successor Agency, pursuant to Health & Safety Code Section 34173(h); and 3) Adopt Resolution No. 2013-3, the draft Recognized Obligation Payment Schedule 13-14A for the July-December 2013 period.

C. Public Review of Amended Independent Accountant’s Reports on Applying Agreed-Upon Procedures on the Low and Moderate Income Housing Funds and on the Non-Housing Funds of the former El Cerrito Redevelopment Agency, prepared pursuant to California Health & Safety Code Section 34179.5

Receive public comment on the Independent Accountant’s Reports, which will be considered for approval at a special meeting of the Oversight Board on Wednesday, March 6, 2013 at 6 p.m.

**Presenter:** Lori Treviño, Economic Development Manager.

No speakers and no comments received.
At Director Potter’s request, Karen Tiedemann, Special Counsel, provided an update regarding the Successor Agency’s litigation against the Department of Finance and the stipulated judgment.

6. **Adjourned** at 7:30 p.m.
AGENDA BILL

AGENDA ITEM NO. 5(B)

Date: March 6, 2013

To: Oversight Board of the El Cerrito Redevelopment Agency Successor Agency

From: Lori Treviño, Economic Development Manager

Subject: Formal Consideration of Due Diligence Reviews of the Housing and Non-Housing Funds

**ACTION REQUESTED**

Adopt resolutions approving 1) the Independent Accountant’s Report on applying agreed-upon procedures on the Low and Moderate Income Housing Funds and 2) the Independent Accountant’s Report on applying agreed-upon procedures on the Non-Housing Funds.

**BACKGROUND**

Pursuant to California Health & Safety Code Section 34179.5, the El Cerrito Redevelopment Agency Successor Agency (“Successor Agency”) selected MGO Certified Public Accountants to perform the Agreed-Upon Procedures (“Due Diligence Review”) and received approval by the County Auditor-Controller on September 20, 2012.

The Due Diligence Reviews of both the Low and Moderate Income Housing Fund (“LMIHF”) and the Non-Housing Funds were submitted to the Oversight Board, the County Auditor-Controller, the County Administrator, the State Controller’s Office, and the Department of Finance (“DOF”) on February 22, 2013.

The Oversight board is required under Section 34179.6(c) to review, approve and transmit the results of the Due Diligence Reviews to DOF and the County Auditor-Controller with a determination of the amount of cash or cash equivalents that are available for disbursement to taxing entities. As required, the Oversight Board held a public session to receive public comment at least five business days in advance of this meeting to consider approval of the reports. The public comment session was held on February 26, 2013 at 7 p.m.

The DOF will review the determination provided by the Oversight Board on both Due Diligence Reviews. Any decision to overturn an Oversight Board determination will be conveyed to the Oversight Board and Successor Agency. Successor agencies have five days from receipt of the decisions to request a “meet and confer” to appeal such decisions.

**DUE DILIGENCE REVIEW REPORTS**

Attachment 1 to this Report is a Resolution approving the Due Diligence Review of the Housing Fund, which is Exhibit A to the Resolution, for the Oversight Board’s consideration. As discussed at the public comment session on February 26, 2013, a
previous version of the Due Diligence Review of the Housing Fund was revised subsequent to consideration by the Oversight Board and the DOF when the City and its independent auditor determined that funds had previously been inaccurately identified as Housing Funds and should have been identified as Redevelopment Property Tax ("RPT") available to the Successor Agency only for payment of approved items on the first Recognized Obligations Payment Schedule.

Based on the resulting audit adjustments, MGO revised the Due Diligence Review of the Housing Fund. The use of the funds previously misidentified as Housing Funds are reflected in Due Diligence Review of Non-Housing Funds. Attachment 2 to this report is a Resolution approving the Due Diligence Review of the Non-Housing Funds, which is Exhibit A to the Resolution, for the Oversight Board's consideration. By waiting for completion of the City's Comprehensive Annual Financial Report for FY 2011-12, MGO was able produce more thorough and accurate Due Diligence Reviews of both the Housing Fund and Non-Housing Funds.

The findings of the independent accountant are that the Successor Agency has no cash or cash equivalents available for disbursement from either the Housing Fund or the Non-Housing Funds, as cash held is required for payment of enforceable obligations.

Reviewed by:

Scott Hanin
City Manager

Attachments:

1. Resolution of the Oversight Board of the El Cerrito Redevelopment Agency Successor Agency taking specified actions with respect to the Housing Fund Due Diligence Review pursuant to Health and Safety Code Sections 34179.5 and 34179.6

2. Resolution of the Oversight Board of the El Cerrito Redevelopment Agency Successor Agency taking specified actions with respect to the Non-Housing Funds Due Diligence Review pursuant to Health and Safety Code Sections 34179.5 and 34179.6
RESOLUTION NO. ______

RESOLUTION OF THE OVERSIGHT BOARD OF THE EL CERRITO REDEVELOPMENT AGENCY SUCCESSOR AGENCY, TAKING SPECIFIED ACTIONS WITH RESPECT TO THE HOUSING FUND DUE DILIGENCE REVIEW PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34179.5 AND 34179.6

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the “Dissolution Act”) to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the El Cerrito City Council determined that the City of El Cerrito, a California municipal corporation (the “City”) would act as successor agency (the “Successor Agency”) for the dissolved El Cerrito Redevelopment Agency effective February 1, 2012; and

WHEREAS, pursuant to Assembly Bill 1484 (the “Trailer Bill”), enacted June 27, 2012 to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, pursuant to Health and Safety Code Section 34179.5 (as added by the Trailer Bill), the Successor Agency is required to employ a licensed accountant, approved by the Contra Costa County Auditor-Controller (the “Auditor-Controller”), to conduct a due diligence review to determine the unobligated balances in the low and moderate income housing fund (the “Housing Fund”) available for transfer to taxing entities; and

WHEREAS, the Successor Agency hired an accountant, approved by the Auditor-Controller, to prepare the due diligence review for the Housing Fund (the “Housing Fund Due Diligence Review”) in conformance with Health and Safety Code Section 34179.5; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the “Oversight Board”) with specific duties to approve certain Successor Agency actions and to direct the Successor Agency in certain other actions; and

WHEREAS, pursuant to the Dissolution Act, the Housing Fund Due Diligence Review has been submitted by the Successor Agency to the Oversight Board for the Oversight Board’s approval and, in accordance with Health and Safety Code Section 34179.6, the Successor Agency also submitted the Housing Fund Due Diligence Review to the Contra Costa County Administrative Officer (the “County Administrator”), the Auditor-Controller, the State Controller (the “Controller”) and the State Department of Finance (the “DOF”); and

WHEREAS, in accordance with Health and Safety Code Section 34179.6, the Oversight Board held a public comment session on February 26, 2013; and
WHEREAS, the Housing Fund Due Diligence Review, attached hereto as Exhibit A, provides supporting information upon which the actions set forth in this Resolution are based; and

WHEREAS, the Oversight Board after thorough review has determined not to adjust any amounts in the Housing Fund Due Diligence Review and to approve the Housing Fund Due Diligence Review.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and together with the following documents and information form the basis for the approvals, authorizations, findings, and determinations set forth in this Resolution: (1) the Housing Fund Due Diligence Review; (2) information provided by the Successor Agency staff; and (3) any information provided by the public at the public comment session held by the Oversight Board on February 26, 2013.

BE IT FURTHER RESOLVED that in accordance with the Dissolution Act and the Trailer Bill, the Oversight Board hereby approves the Housing Fund Due Diligence Review in the form submitted to the Oversight Board.

BE IT FURTHER RESOLVED that, as determined according to the method provided in Section 34179.5, the Housing Fund Due Diligence Review determined that no cash and cash equivalents are available for disbursement to taxing entities.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act and the Trailer Bill to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Housing Fund Due Diligence Review and to take any other actions necessary to ensure the validity of the Housing Fund Due Diligence Review and the validity of the retention of the funds specified to be retained by this Resolution. The Oversight Board acknowledges and agrees that the Successor Agency may invoke the meet and confer process identified in Health and Safety Code Section 34179.6(e) to resolve any disputes regarding the amounts or sources of funds identified by DOF as eligible to be retained and may take any other actions required as a result of DOF review of the Housing Fund Due Diligence Review.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Sections 34179(h) and 34179.6.
CITY OF EL CERRITO, CALIFORNIA

Independent Accountant’s Report on Applying Agreed-Upon Procedures on the Low and Moderate Income Housing Funds of the Former El Cerrito Redevelopment Agency

As Prescribed in Section 34179.5 of the California Health and Safety Code
City of El Cerrito, Successor Agency to the
El Cerrito Redevelopment Agency
El Cerrito, California

Independent Accountant’s Report on
Applying Agreed-Upon Procedures

We have performed the procedures applied to the Low and Moderate Income Housing Funds of the former El Cerrito Redevelopment Agency (Agency) enumerated in Attachment A, which were agreed to by the City of El Cerrito (City), as Successor Agency to the Agency (Successor Agency), the California State Controller’s Office, and the California State Department of Finance (DOF) (collectively referred to as the Specified Parties), solely to assist the Specified Parties in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Funds of the former Agency, as prescribed in Section 34179.5 of the California Health and Safety Code (HSC). Management of the former Agency and the Successor Agency are 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 those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures applied to the Low and Moderate Income Housing Funds of the Agency as set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the balances available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Funds of the former Agency or as to the appropriateness of the other financial information summarized in Attachments A, B, and 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.

In our previously issued independent accountant’s report on applying agreed-upon procedures dated October 24, 2012, the City of El Cerrito (City) did not complete its financial statement audit as of and for the year ended June 30, 2012 and did not obtain the DOF’s determination letter on its Low and Moderate Income Housing Fund Due Diligence Review dated January 23, 2013. Subsequent to the completion of the agreed-upon procedures engagement, the City informed us of significant audit adjustments and updated interpretations of this information and as such we updated Attachments A, B and C and removed Attachments D and E to reflect this additional information. This additional information changed the amount reported in the calculation of the amount to be remitted to the County for disbursement to taxing entities in our report on applying agreed-upon procedures dated October 24, 2012, and it is replaced by this report.
This report is intended solely for the information and use of the Successor Agency, the California State Controller’s Office, and the California State Department of Finance, 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.

Walnut Creek, California
February 22, 2013
The agreed-upon procedures, as it relates to the Low and Moderate Income Housing Funds of the former Agency and the Successor Agency, 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 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 obtained from the Successor Agency a copy of the City’s basic financial statements as of and for the year ended June 30, 2012. These financial statements were audited by other auditors whose report thereon has been furnished to us. These financial statements include a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on or about February 1, 2012, as described in Note 16 to the basic financial statements and as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Redevelopment Agency (prior to transfer)</th>
<th>Transferred to Successor Agency</th>
<th>Transferred to Housing Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$953,756</td>
<td>$953,756</td>
<td>-</td>
</tr>
<tr>
<td>Cash and investments with fiscal agents</td>
<td>2</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>3,629,928</td>
<td>-</td>
<td>3,629,928</td>
</tr>
<tr>
<td>Advance to other funds</td>
<td>1,663,091</td>
<td>-</td>
<td>1,663,091</td>
</tr>
<tr>
<td>Property held for resale</td>
<td>3,950,000</td>
<td>-</td>
<td>3,950,000</td>
</tr>
<tr>
<td>Capital assets - land and land improvements</td>
<td>52,851</td>
<td>52,851</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>$10,249,628</td>
<td>$1,006,609</td>
<td>$9,243,019</td>
</tr>
</tbody>
</table>

In summary, the low and moderate income housing assets that were transferred from the former redevelopment agency to the Housing Successor on or about February 1, 2012 was $9,243,019. The assets transferred to the Successor Agency in the amount of $1,006,609 are addressed in a separate the “non-housing” agreed upon procedures report.

We also note that on December 17, 2012, the State Department of Finance disallowed the Successor Agency's request to retain what had been identified as a low and moderate income housing assets in the amount of $176,141 on the previously issued October 24, 2012 "housing" agreed upon procedures report. The City determined the balance to be redevelopment property tax and should have been transferred to the Successor Agency upon dissolution and could only be used on enforceable obligations on the ROPS. The balance was held by the Successor Agency at February 1, 2012 and is included in the $1,006,609 assets transferred to the Successor Agency and addressed separately in the “non-housing” agreed-upon procedures report.

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.

Finding: The State Controller’s Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8 nor issued its report regarding such review.

If this has not yet occurred, perform the following procedures:
City of El Cerrito, Successor Agency to the
El Cerrito Redevelopment Agency

Attachment A – Agreed-Upon Procedures and Findings
Low and Moderate Income Housing Funds

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.

Finding: We obtained a listing prepared by the Successor Agency of transfers from the former redevelopment agency to the City for the period from January 1, 2011 through January 31, 2012 to the City. See Attachment C for the listing of transfers with the description of the purpose and in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements.

In addition, we noted that Note 4 to the basic financial statements describes a transfer of $64,419 for indirect costs from the Redevelopment Low and Moderate Income Housing Special Revenue Fund to the City’s General Fund made for the year ended June 30, 2012. The City excluded this from the listing because the City deemed this to be a payment of goods and services.

In addition, per review of the fiscal year ended June 30, 2011 audited basic financial statements the Agency’s Low and Moderate Income Housing Fund made a transfer of land held for resale in the amount of $2,130,000 to the General Fund which was subsequently returned to the former Agency during the year ended June 30, 2012 as described in Note 4 to the basic financial statements for the year ended June 30, 2012 and transferred to the City as Housing Successor. The remaining $1,820,000 included in the $3,950,000 of land held for resale transferred to the City as Housing Successor was addressed separately in the “non-housing” agreed-upon procedures report.

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.

Finding: We obtained a listing prepared by the Successor Agency of transfers from the Successor Agency to the City and noted that the City did not list any assets transferred for the period February 1, 2012 through June 30, 2012. In addition, as described in procedure 1, the former Redevelopment Agency upon dissolution transferred assets totaling $9,243,019 to the Housing Successor.

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.

Finding: Except for the transfers not listed by the Successor Agency, we obtained the legal document that formed the basis for the enforceable obligation that required the transfer as described in Attachment C.
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.

**Finding:** The State Controller’s Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8 nor issued its report regarding such review.

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.

**Finding:** We obtained a listing prepared by the Successor Agency of transfers from the former redevelopment agency to any other public agency or to private parties and noted that the Successor Agency did not list any transfer during 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 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.

**Finding:** We obtained a listing prepared by the Successor Agency of transfers from the Successor Agency to any other public agency or to private parties and noted that the Successor Agency did not list any transfers during 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.

**Finding:** The procedure is not applicable. The Successor Agency did not list any transfers of assets to any other public agency or to private parties during the period January 1, 2011 through June 30, 2012.

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

Finding: This procedure pertains to the Successor Agency as a whole as such this procedure will be addressed in the agreed-upon procedures report that is due on December 15, 2012 pursuant to guidance provided by the DOF.

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.

Finding: We obtained from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 and noted that the Successor Agency did not list any assets of 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.

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 Successor the 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.

Finding: We noted the Successor Agency did not have asset balances held on June 30, 2012 that are restricted.

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.

Finding: We noted the Successor Agency did not have asset balances held on June 30, 2012 that are not liquid or otherwise available for distribution.

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.
City of El Cerrito, Successor Agency to the  
El Cerrito Redevelopment Agency  
Attachment A – Agreed-Upon Procedures and Findings  
Low and Moderate Income Housing Funds

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.

**Finding:** We noted that the Successor Agency did not report any cash balances that needed to be retained as of June 30, 2012 under Procedures 8A, 8B or 8C as such these procedures are not applicable.

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.

**Finding:** We noted the Successor Agency does not have cash balances as of June 30, 2012 that need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule for the period of July 1, 2012 through June 30, 2013.

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).

**Finding:** See Attachment B for the results of this procedure for 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.

**Finding:** No exceptions noted as a result of this procedure.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of assets held by the successor agency as of June 30, 2012</td>
<td>$</td>
</tr>
<tr>
<td>Add the amount of any assets transferred to the city or other parties for</td>
<td>-</td>
</tr>
<tr>
<td>which an enforceable obligation with a third party requiring such transfer</td>
<td></td>
</tr>
<tr>
<td>and obligating the use of the transferred assets did not exist (procedures</td>
<td></td>
</tr>
<tr>
<td>2 and 3)</td>
<td></td>
</tr>
<tr>
<td>Less assets legally restricted for uses specified by debt covenants, grant</td>
<td>-</td>
</tr>
<tr>
<td>restrictions, or restrictions imposed by other governments (procedure 6)</td>
<td></td>
</tr>
<tr>
<td>Less assets that are not cash or cash equivalents (e.g., physical assets)</td>
<td>-</td>
</tr>
<tr>
<td>(procedure 7)</td>
<td></td>
</tr>
<tr>
<td>Less balances that are legally restricted for the funding of an enforceable</td>
<td>-</td>
</tr>
<tr>
<td>obligation (net of projected annual revenues available to fund those</td>
<td></td>
</tr>
<tr>
<td>obligations) (procedure 8)</td>
<td></td>
</tr>
<tr>
<td>Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure</td>
<td>-</td>
</tr>
<tr>
<td>9)</td>
<td></td>
</tr>
<tr>
<td>Less the amount of payments made on July 12, 2012 to the County Auditor-</td>
<td>-</td>
</tr>
<tr>
<td>Controller as directed by the California Department of Finance</td>
<td></td>
</tr>
<tr>
<td>Amount to be remitted to county for disbursement to taxing entities</td>
<td>$</td>
</tr>
</tbody>
</table>
## El Cerrito Redevelopment Agency
### Attachment C - Low and Moderate Income Housing Funds

**Asset Transfers to the City of El Cerrito for the Period January 1, 2011 Through January 31, 2012**

<table>
<thead>
<tr>
<th>Asset Description</th>
<th>Name of the recipient</th>
<th>Date of Transfer</th>
<th>Book value of asset at date of transfer</th>
<th>Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer and the date of such requirement.</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Cash - refundable deposits</td>
<td>City of El Cerrito Housing Fund</td>
<td>1/31/2012</td>
<td>$25,000</td>
<td>Transfer of developer deposit pursuant to EOPS Enforceable Obligation #16. Per AB1X 26 and City Council's Resolution No. 2012-04, the City elected to become the Housing Successor of the former redevelopment agency. Transfer of housing assets held as refundable deposits under terms of the Predevelopment Loan Agreement by and between the El Cerrito Redevelopment Agency and Eden Housing, Inc. (10860 and 10848 San Pablo Avenue) dated May 17, 2011 for the development of approximately 64 units of affordable housing.</td>
<td>No exceptions were noted as a result of this procedure.</td>
</tr>
<tr>
<td><strong>Land held for resale:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Real property for low-mod housing w/ commercial space at 10848 and 10860 San Pablo Avenue, El Cerrito. Assessor Parcel Numbers: 503-010-003, 503-101-014</td>
<td>City of El Cerrito General Fund</td>
<td>3/22/2011</td>
<td>$2,130,000</td>
<td>On March 22, 2011, under the provisions of Health and Safety Code Section 33433, the Agency entered into a property conveyance agreement with the City to transfer one property in exchange for an agreement to cause its development with an affordable housing project consistent with the Redevelopment Plan and pay the Agency any value received. The value of the land held for resale transferred was $3,950,000, of which $1,820,000 was funded by 2004 Bond Series A bond proceeds and $2,130,000 was funded by the Low and Moderate Income Housing Fund. Per AB1X 26 and City Council's Resolution No. 2012-03, the City elected to become the Housing Successor of the former redevelopment agency. Transfer of housing assets as approved by the State Department of Finance.</td>
<td>The asset balance has been transferred back to the former Agency and then transferred to the City as Housing Successor during the year ended June 30, 2012.</td>
</tr>
<tr>
<td><strong>Loans receivable:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Ohlone Gardens, L.P.</td>
<td>City of El Cerrito Housing Fund</td>
<td>2/1/2012</td>
<td>$3,210,178</td>
<td>Per AB1X 26 and City Council's Resolution No. 2012-04, the City elected to become the Housing Successor of the former redevelopment agency. Transfer of housing assets as approved by the State Department of Finance.</td>
<td>No exceptions were noted as a result of this procedure.</td>
</tr>
<tr>
<td>2 Idaho Apartments</td>
<td>City of El Cerrito Housing Fund</td>
<td>2/1/2012</td>
<td>379,750</td>
<td>Per AB1X 26 and City Council's Resolution No. 2012-04, the City elected to become the Housing Successor of the former redevelopment agency. Transfer of housing assets as approved by the State Department of Finance.</td>
<td>No exceptions were noted as a result of this procedure.</td>
</tr>
<tr>
<td>3 Eden Housing, Inc.</td>
<td>City of El Cerrito Housing Fund</td>
<td>2/1/2012</td>
<td>40,000</td>
<td>Per AB1X 26 and City Council's Resolution No. 2012-04, the City elected to become the Housing Successor of the former redevelopment agency. Transfer of housing assets as approved by the State Department of Finance.</td>
<td>No exceptions were noted as a result of this procedure.</td>
</tr>
<tr>
<td><strong>SERAF/ERAF Receivable:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 SERAF 2011</td>
<td>City of El Cerrito Housing Fund</td>
<td>2/1/2012</td>
<td>$1,327,655</td>
<td>Per AB1X 26 and City Council's Resolution No. 2012-04, the City elected to become the Housing Successor of the former redevelopment agency. Transfer of housing assets as approved by the State Department of Finance.</td>
<td>No exceptions were noted as a result of this procedure.</td>
</tr>
<tr>
<td>2 ERAF 2005 and 2006</td>
<td>City of El Cerrito Housing Fund</td>
<td>2/1/2012</td>
<td>335,436</td>
<td>Per AB1X 26 and City Council's Resolution No. 2012-04, the City elected to become the Housing Successor of the former redevelopment agency. Transfer of housing assets as approved by the State Department of Finance.</td>
<td>No exceptions were noted as a result of this procedure.</td>
</tr>
</tbody>
</table>

**Subtotal** 1,663,091

Total asset transfers to the City of El Cerrito $7,448,019
RESOLUTION NO. ______

RESOLUTION OF THE OVERSIGHT BOARD OF THE EL CERRITO
REDEVELOPMENT AGENCY SUCCESSOR AGENCY, TAKING SPECIFIED
ACTIONS WITH RESPECT TO THE NON-HOUSING FUNDS DUE DILIGENCE REVIEW
PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34179.5 AND 34179.6

WHEREAS, the California state legislature enacted Assembly Bill x1 26
(the “Dissolution Act”) to dissolve redevelopment agencies formed under the Community
Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the El Cerrito City
Council determined that the City of El Cerrito, a California municipal corporation (the “City”)
would act as successor agency (the “Successor Agency”) for the dissolved El Cerrito
Redevelopment Agency effective February 1, 2012; and

WHEREAS, pursuant to Assembly Bill 1484 (the “Trailer Bill”), enacted June 27, 2012
to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be
a separate legal entity from the City; and

WHEREAS, pursuant to Health and Safety Code Section 34179.5 (as added by
the Trailer Bill), the Successor Agency is required to employ a licensed accountant, approved by
the Contra Costa County Auditor-Controller (the “Auditor-Controller”), to conduct a due
diligence review to determine the unobligated balances in the non-housing funds (the “Non-
Housing Funds”) available for transfer to taxing entities; and

WHEREAS, the Successor Agency hired an accountant, approved by the Auditor-
Controller, to prepare the due diligence review for the Housing Fund (the “Housing Fund Due
Diligence Review’) in conformance with Health and Safety Code Section 34179.5; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board
(the “Oversight Board”) with specific duties to approve certain Successor Agency actions and to
direct the Successor Agency in certain other actions; and

WHEREAS, pursuant to the Dissolution Act, the Non-Housing Funds Due Diligence
Review has been submitted by the Successor Agency to the Oversight Board for the Oversight
Board’s approval and, in accordance with Health and Safety Code Section 34179.6, the
Successor Agency also submitted the Non-Housing Funds Due Diligence Review to the Contra
Costa County Administrative Officer (the “County Administrator”), the Auditor-Controller, the
State Controller (the “Controller”) and the State Department of Finance (the “DOF”); and

WHEREAS, in accordance with Health and Safety Code Section 34179.6, the Oversight
Board held a public comment session on February 26, 2013; and
WHEREAS, the Non-Housing Funds Due Diligence Review, attached hereto as Exhibit A, provides supporting information upon which the actions set forth in this Resolution are based; and

WHEREAS, the Oversight Board after thorough review has determined not to adjust any amounts in the Non-Housing Funds Due Diligence Review and to approve the Non-Housing Funds Due Diligence Review.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and together with the following documents and information form the basis for the approvals, authorizations, findings, and determinations set forth in this Resolution: (1) the Non-Housing Funds Due Diligence Review; (2) information provided by the Successor Agency staff; and (3) any information provided by the public at the public comment session held by the Oversight Board on February 26, 2013.

BE IT FURTHER RESOLVED that in accordance with the Dissolution Act and the Trailer Bill, the Oversight Board hereby approves the Non-Housing Funds Due Diligence Review in the form submitted to the Oversight Board.

BE IT FURTHER RESOLVED that, as determined according to the method provided in Section 34179.5, the Non-Housing Funds Due Diligence Review determined that no cash and cash equivalents are available for disbursement to taxing entities.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act and the Trailer Bill to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Non-Housing Funds Due Diligence Review and to take any other actions necessary to ensure the validity of the Non-Housing Funds Due Diligence Review and the validity of the retention of the funds specified to be retained by this Resolution. The Oversight Board acknowledges and agrees that the Successor Agency may invoke the meet and confer process identified in Health and Safety Code Section 34179.6(e) to resolve any disputes regarding the amounts or sources of funds identified by DOF as eligible to be retained and may take any other actions required as a result of DOF review of the Non-Housing Funds Due Diligence Review.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Sections 34179(h) and 34179.6.
CITY OF EL CERRITO, CALIFORNIA

Independent Accountant’s Report on Applying Agreed-Upon Procedures on the Successor Agency to the El Cerrito Redevelopment Agency, excluding Low and Moderate Income Housing Funds

As Prescribed in Section 34179.5 of the California Health and Safety Code
City of El Cerrito, Successor Agency to the
El Cerrito Redevelopment Agency
El Cerrito, California

Independent Accountant’s Report on
Applying Agreed-Upon Procedures

We have performed the procedures enumerated in Attachment A, which were agreed to by the City of El Cerrito (City), as Successor Agency to the El Cerrito Redevelopment Agency (Successor Agency), the California State Controller’s Office, and the California State Department of Finance (collectively referred to as the Specified Parties), solely to assist the Specified Parties in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency, excluding balances from the Low and Moderate Income Housing Funds of the former El Cerrito Redevelopment Agency (Agency), as prescribed in Section 34179.5 of the California Health and Safety Code. 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 those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

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

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the balances available for transfer to taxing entities from assets transferred to the Successor Agency excluding the Low and Moderate Income Housing Funds of the former Agency or as to the appropriateness of the other financial information summarized in Attachments A, B, C, D, E, F, G, H, and I. 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, the California State Controller’s Office, and the California State Department of Finance, 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.

Walnut Creek, California
February 22, 2013
The agreed-upon procedures, as it relates to all funds of the former Agency, excluding Low and Moderate Income Housing Funds, 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 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 obtained from the Successor Agency a copy of the City’s basic financial statements as of and for the year ended June 30, 2012. These financial statements were audited by other auditors whose report thereon has been furnished to us. These financial statements include a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on or about February 1, 2012, as described in Note 16 to the basic financial statements and as follows:

<table>
<thead>
<tr>
<th>Redevelopment Agency (prior to transfer)</th>
<th>Transferred to Successor Agency</th>
<th>Transferred to Housing Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$ 953,756</td>
<td>$ 953,756</td>
</tr>
<tr>
<td>Cash and investments with fiscal agents</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>3,629,928</td>
<td>-</td>
</tr>
<tr>
<td>Advance to other funds</td>
<td>1,663,091</td>
<td>-</td>
</tr>
<tr>
<td>Property held for resale</td>
<td>3,950,000</td>
<td>-</td>
</tr>
<tr>
<td>Capital assets - land and land improvements</td>
<td>52,851</td>
<td>52,851</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$10,249,628</td>
<td>$1,006,609</td>
</tr>
</tbody>
</table>

In summary, the assets that were transferred from the former redevelopment agency to the Successor Agency, excluding low and moderate income housing assets, on or about February 1, 2012 was $1,006,609. The assets transferred to the Housing Successor in the amount of $9,243,019 are addressed in a separate “housing” agreed upon procedures report.

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.

   **Finding:** The State Controller’s Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8 nor issued its report regarding such review.

   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.

   **Finding:** We noted that the former redevelopment agency transferred assets for the period from January 1, 2011 through January 31, 2012 to the City. We obtained a listing prepared by the former that notes that the former Agency transferred cash in the amount of $61,000 to the City. See Attachment C for the listing of transfers with the description of the purpose and in what sense...
the transfer was required by one of the Agency’s enforceable obligations or other legal requirements.

In addition, we noted that Note 4 to the basic financial statements describes a transfer of $498,000 for indirect costs from the Redevelopment Capital Projects Fund to the City’s General Fund made for the year ended June 30, 2012. The City excluded this from the listing because the City deemed this to be a payment of goods and services.

Per review of the fiscal year ended June 30, 2011 audited basic financial statements the Agency’s Redevelopment Capital Projects Fund made a transfer in the amount of $1,820,000 to the General Fund which was subsequently returned during the year ended June 30, 2012, as described in Note 4 to the basic financial statements for the year ended June 30, 2012. As described in Attachment C of the Low and Moderate Housing Income Fund Agreed Upon Procedures Report, on March 22, 2011, the Agency entered into a property conveyance agreement with the City to transfer one property in exchange for an agreement to cause its development with an affordable housing project consistent with the Redevelopment Plan and pay the Agency any value received. The value of the land held for resale transferred was $3,950,000, of which $1,820,000 was funded by 2004 Bond Series A bond proceeds and $2,130,000 was funded by the Low and Moderate Income Housing Fund. Per AB X1 26 and City Council Resolution No. 2012-04, the City elected to become the Housing Successor of the former redevelopment agency. The $3,950,000 asset transfer to the City as Housing Successor was listed on the housing asset list as approved by the State Department of Finance.

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.

**Finding:** We obtained a listing prepared by the Successor Agency of transfers from the Successor Agency to the City for the period from February 1, 2012 through June 30, 2012. See Attachment D for the listing of transfers with the description of the purpose and 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. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Finding:** Except for the transfers not listed by the Successor Agency as described above, we obtained the legal document that formed the basis for the enforceable obligation that required the transfer as described in Attachments C and D.

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.

**Finding:** The State Controller’s Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8 nor issued its report regarding such review.

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.

Finding: We obtained a listing prepared by the Successor Agency of transfers from the former redevelopment agency to any other public agency or to private parties and noted that the Successor Agency did not list any transfer during the period from January 1, 2011 through January 31, 2012.

In addition, we noted that Note 4 to the basic financial statements for the year ended June 30, 2012 describes a transfer of $1,031,340 to fund current and future activities pursuant to the terms of the Cooperation Agreement prior to the dissolution of the Redevelopment Agency from the Redevelopment Capital Projects Fund to the Municipal Services Corporation Special Revenue Fund made for the year ended June 30, 2012. The City excluded this from the listing because the City deemed this to be a payment of goods and services.

As discussed in the City’s independent auditor’s report on its basic financial statements as of and for the year ended June 30, 2012 dated December 18, 2012, in fiscal 2011 and 2012, pursuant to a cooperation agreement and assignment and assumption agreements, the former Redevelopment Agency transferred $12,550,552 of assets to the El Cerrito Municipal Services Corporation, a component unit of the City. ABx1 26 and AB 1484 contain provisions that such transfers are subject to a review by the State Controller’s Office. According to Health and Safety Code 34167.5, if such an asset transfer did not occur during that period and the government agency that received the assets is not contractually committed to a third party for the expenditure or encumbrance of those assets, to the extent not prohibited by state and federal law, the Controller shall order the available assets to be returned to the former Redevelopment Agency or, on or after October 1, 2011, to the Successor Agency. As of June 30, 2012, assets totaling $11,755,812, comprised of current assets of $6,333,197 and capital assets of $5,422,615, were held by the Municipal Services Corporation.

The City did not include the transfers to the El Cerrito Municipal Services Corporation (MSC) because the City and the Successor Agency contend that the MSC is a nonprofit public benefit corporation and not a public entity and in particular does not meet the definition of a city, county or city and county set forth in Section 34167.10 and thus the assets transferred to the MSC are not subject to the provisions of Health and Safety Code 34167.5. We noted that Note 4 to the basic financial statements for the year ended June 30, 2012 also stated that transfers with MSC requires approval by MSC’s Board.

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.
Finding: We obtained a listing prepared by the Successor Agency of transfers from the Successor Agency to any other public agency or to private parties and noted that the Successor Agency did not list any transfers during 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.

Finding: The procedure is not applicable. The Successor Agency did not list any transfers of assets to any other public agency or to private parties during the period January 1, 2011 through June 30, 2012.

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

Finding: No exceptions were noted as a result of applying these procedures, except that the financial transactions of the Successor Agency are presented using the accrual basis of accounting. Please refer to Attachment E for a summary of the financial transactions of the former Agency and the Successor Agency for the periods ended June 30, 2010, June 30, 2011, January 31, 2012, and June 30, 2012. We agreed the financial transactions of the former Agency for the period ended June 30, 2010, to the corresponding audited financial statements and State Controller’s Report. We agreed the financial transactions of the former Agency and Successor Agency for the periods ended June 30, 2011 and June 30, 2012 to the corresponding audited financial statements. We agreed the financial transactions of the former Agency as of and for the period ended January 31, 2012 to the June 30, 2012 audited financial statements.

5. Obtain from the Successor Agency a listing of all assets of the Successor Agency as of June 30, 2012, excluding assets of its Low and Moderate Income Housing Fund. 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.

Finding: We obtained from the Successor Agency a listing of all assets of all funds of the Successor Agency, excluding assets of its Low and Moderate Income Housing Fund, and agreed the assets listed to the recorded balances reflected in the audited basic financial statements of the City as of June 30, 2012. See listing of assets at Attachment F.
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 (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.

**Finding:** We noted the Successor Agency did not list any asset balances held on June 30, 2012 that are restricted for unspent bond proceeds, grant proceeds and program income, and other assets.

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.

Finding: We noted the Successor Agency reported land held on June 30, 2012 with a book value of $52,581 that is not liquid or otherwise available for distribution as noted on Attachment G.

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.

Finding: We noted the Successor Agency did not have asset balances as of June 30, 2012 that need to be retained to satisfy enforceable obligations that are not otherwise already listed on the Recognized Obligation Payment Schedule in procedure 9.

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.

Finding: We noted the Successor Agency believes cash balances in the amount of $1,949,249 as of June 30, 2012 needs to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through December 31, 2012. Please refer to Attachment H for the results of this procedure. See Attachment I for the final ROPS for the period of July 1, 2012 through December 31, 2012.
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).

**Finding:** See Attachment B for the results of this procedure for all other funds combined excluding the Low and Moderate Income Housing Fund. However, Attachment B does not include assets transferred described in Procedures 2 and 3 above that were not included by the City.

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.

**Finding:** No exceptions noted as a result of this procedure.
## SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of assets held by the successor agency as of June 30, 2012</td>
<td>$2,002,100</td>
</tr>
<tr>
<td>Add the amount of any assets transferred to the city or other parties for</td>
<td>-</td>
</tr>
<tr>
<td>which an enforceable obligation with a third party requiring such transfer</td>
<td></td>
</tr>
<tr>
<td>and obligating the use of the transferred assets did not exist (procedures</td>
<td></td>
</tr>
<tr>
<td>2 and 3)</td>
<td></td>
</tr>
<tr>
<td>Less assets legally restricted for uses specified by debt covenants, grant</td>
<td>-</td>
</tr>
<tr>
<td>restrictions, or restrictions imposed by other governments (procedure 6)</td>
<td></td>
</tr>
<tr>
<td>Less assets that are not cash or cash equivalents (e.g., physical assets)</td>
<td>(52,851)</td>
</tr>
<tr>
<td>- (procedure 7)</td>
<td></td>
</tr>
<tr>
<td>Less balances that are legally restricted for the funding of an enforceable</td>
<td>-</td>
</tr>
<tr>
<td>obligation (net of projected annual revenues available to fund those</td>
<td></td>
</tr>
<tr>
<td>obligations) - (procedure 8)</td>
<td></td>
</tr>
<tr>
<td>Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure</td>
<td>(1,949,249)</td>
</tr>
<tr>
<td>9)</td>
<td></td>
</tr>
<tr>
<td>Less the amount of payments made on July 12, 2012 to the County Auditor-</td>
<td>-</td>
</tr>
<tr>
<td>Controller as directed by the California Department of Finance</td>
<td></td>
</tr>
<tr>
<td>Amount to be remitted to county for disbursement to taxing entities</td>
<td>$ -</td>
</tr>
</tbody>
</table>
### El Cerrito Redevelopment Agency

Attachment C - Excluding Low and Moderate Income Housing Funds

Asset Transfers to the City of El Cerrito for the Period January 1, 2011 Through January 31, 2012

<table>
<thead>
<tr>
<th>Cash:</th>
<th>Asset Description</th>
<th>Name of the Recipient</th>
<th>Date of Transfer</th>
<th>Book value of asset at date of transfer</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Restricted cash held in the Senior Center</td>
<td>City of El Cerrito General Fund</td>
<td>6/30/2011</td>
<td>$61,000</td>
<td>The former Agency erroneously recorded the restricted cash received from The Lucile W. Weingart Trust (3rd Party) on December 5, 2005 for the City of El Cerrito Senior Center in the former Agency’s Senior Center Construction Capital Projects Fund. This deposit was received on December 5, 2005 and the payee was the City of El Cerrito Redevelopment Agency as such the City corrected this error on June 30, 2011 and returned these restricted funds into a City fund. No exceptions were noted as a result of this procedure.</td>
</tr>
</tbody>
</table>
### El Cerrito Redevelopment Agency

**Attachment D - Excluding Low and Moderate Income Housing Funds**

**Asset Transfers to the City of El Cerrito for the Period February 1, 2012 Through June 30, 2012**

<table>
<thead>
<tr>
<th>Asset Description</th>
<th>Name of the recipient</th>
<th>Date of Transfer</th>
<th>Book value of asset at date of transfer</th>
<th>Description of purpose</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in Redevelopment Obligation Retirement Fund</td>
<td>City as Housing Successor</td>
<td>5/25/2012</td>
<td>$ 415,773</td>
<td>Payment of approved ROPS I Enforceable Obligation #9 and #10. Total amount for ROPS I Enforceable Obligation #9 and #10 was $415,773.</td>
<td>No exceptions were noted as a result of this procedure.</td>
</tr>
<tr>
<td>Cash in Redevelopment Obligation Retirement Fund</td>
<td>City of El Cerrito</td>
<td>6/30/2012</td>
<td>$ 250,000</td>
<td>Payment of FY11-12 Successor Agency administrative allowance approved on ROPS I.</td>
<td>No exceptions were noted as a result of this procedure.</td>
</tr>
</tbody>
</table>

Total asset transfers to the City of El Cerrito $ 665,773
### Modified Accrual Basis of Accounting

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$1,421,312</td>
<td>$584,206</td>
<td>$953,756</td>
<td>$406,140</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments with fiscal agent</td>
<td>$2,493,096</td>
<td>$1,477,922</td>
<td>2</td>
<td>1,543,109</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>7,865</td>
<td>1,231</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from other governments</td>
<td>247,381</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans receivable</td>
<td>3,482,094</td>
<td>3,583,259</td>
<td>3,629,928</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>10,000</td>
<td>10,000</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to other funds</td>
<td>2,102,854</td>
<td>1,663,091</td>
<td>1,663,091</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land held for redevelopment</td>
<td>8,584,789</td>
<td>-</td>
<td>3,950,000</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former Agency land</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td>52,851</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$18,349,391</td>
<td>$7,319,709</td>
<td>$10,196,777</td>
<td>$2,002,100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$18,975</td>
<td>$2,253</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>83,202</td>
<td>83,202</td>
<td>507,493</td>
<td>-</td>
<td></td>
<td></td>
<td>483,135</td>
</tr>
<tr>
<td>Deposits payable</td>
<td>5,000</td>
<td>30,000</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>3,482,094</td>
<td>3,583,259</td>
<td>3,629,928</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances from the City</td>
<td>1,100,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances from other funds - SERAF</td>
<td>2,102,854</td>
<td>1,663,091</td>
<td>1,663,091</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former Agency liabilities - Long term</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22,392,337</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$6,792,125</td>
<td>$5,361,805</td>
<td>$5,800,512</td>
<td>$22,875,472</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Equity</td>
<td>$15,068,185</td>
<td>$11,557,266</td>
<td>$1,957,904</td>
<td>$11,557,266</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ending Equity</strong></td>
<td>$11,557,266</td>
<td>$1,957,904</td>
<td>$4,396,265</td>
<td>$(20,873,372)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities + Equity</strong></td>
<td>$18,349,391</td>
<td>$7,319,709</td>
<td>$10,196,777</td>
<td>$2,002,100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Accrual Basis of Accounting

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>**Total revenues ***</td>
<td>$5,371,639</td>
<td>$5,033,219</td>
<td>$2,793,986</td>
<td>$1,949,481</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Total expenditures/expenses *</td>
<td>5,987,380</td>
<td>3,909,533</td>
<td>2,711,866</td>
<td>898,060</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Total transfers, net **</td>
<td>(2,895,178)</td>
<td>(10,723,048)</td>
<td>2,356,241</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Extraordinary item</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(21,924,793)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net change in equity</strong></td>
<td>(3,510,919)</td>
<td>(9,599,362)</td>
<td>2,438,361</td>
<td>(20,873,372)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Beginning Equity</strong></td>
<td>15,068,185</td>
<td>11,557,266</td>
<td>1,957,904</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ending Equity</strong></td>
<td>$11,557,266</td>
<td>$1,957,904</td>
<td>$4,396,265</td>
<td>$(20,873,372)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Other Information

- **Capital Assets as of end of year**: $5,894,342
- **Long term debt as of end of year**: $23,900,011

Note: * Includes 1) expenditures, 2) extraordinary loss of RDA dissolution, and 3) payments on enforceable obligations.

** Includes Special Item of $8,584,789 recorded in fiscal year ended June 30, 2011.

*** Includes gain on extinguishment of debt of $83,202 recorded in fiscal year ended June 30, 2012.
### El Cerrito Redevelopment Agency

**Attachment F - Successor Agency Assets, Excluding Low and Moderate Income Housing Fund**

**Assets Transferred to the Successor Agency**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$406,140</td>
</tr>
<tr>
<td>Cash and investments with fiscal agent</td>
<td>$1,543,109</td>
</tr>
<tr>
<td>Former Agency land</td>
<td>$52,851</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$2,002,100</strong></td>
</tr>
<tr>
<td>Asset</td>
<td>Book value of asset at 6/30/2012</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Land</td>
<td>$52,851</td>
</tr>
<tr>
<td>Nature of assets required to pay enforceable obligations</td>
<td>Book value of asset at 6/30/2012</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Cash from RPTTF for ROPSII obligations</td>
<td>$ 406,140</td>
</tr>
<tr>
<td>Cash held by fiscal agent</td>
<td>$ 1,543,109</td>
</tr>
<tr>
<td>Assets held by the successor agency that are</td>
<td></td>
</tr>
<tr>
<td>need to be retained to satisfy obligations on the ROPS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 1,949,249</td>
</tr>
<tr>
<td>Project Name / Debt Obligation</td>
<td>Date of Agreement</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td><strong>Tax Allocation Bonds (Combined)</strong></td>
<td>12/17/07 &amp; 10/24/04</td>
</tr>
<tr>
<td><strong>Cooperation Agreement</strong></td>
<td>3/7/2011</td>
</tr>
<tr>
<td><strong>Cooperation Agreement</strong></td>
<td>2/22/2011</td>
</tr>
<tr>
<td><strong>2009-2010 SERAF Loan</strong></td>
<td>2/16/2010</td>
</tr>
<tr>
<td><strong>2005-2006 ERAF Loan</strong></td>
<td>4/17/2006</td>
</tr>
<tr>
<td><strong>Administrative Allowance</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Unpaid Obligations from Prior ROPS**

| | | | | | | | | | |
| **Olone Gardens Loan Agreement** | 6/24/2009 | Olone Gardens LP | Undisbursed loan commitment | City of El Cerrito Redevelopment Project Area | 471,152 | 471,152 | | | |
| **Eden Housing Loan Agreement** | 5/17/2011 | Eden Housing | Undisbursed loan commitment | City of El Cerrito Redevelopment Project Area | 310,000 | 310,000 | | | |
| **2009-2010 SERAF Loan** | | L&M Housing Fund | Funds advanced for SERAF payment | City of El Cerrito Redevelopment Project Area | 331,914 | 331,914 | | | |
| **2005-2006 ERAF Loan** | | L&M Housing Fund | Funds advanced for ERAF payment | City of El Cerrito Redevelopment Project Area | 83,859 | 83,859 | | | |
| **Pass-Through Payments** | | 1983 Contracts & 1994 Statutory | Taxing Entities | City of El Cerrito Redevelopment Project Area | 507,403 | 507,403 | | | |
| **Administrative Allowance** | | FY11-12 Payment | Administrative Allowance per AB1x26 | City of El Cerrito Redevelopment Project Area | 250,000 | 250,000 | | | |

**New Item**

| | | | | | | | | | |
| **Pass-Through Payments** | | 1983 Contracts & 1994 Statutory | Taxing Entities | City of El Cerrito Redevelopment Project Area | 415,222 | 415,222 | | | |

**Totals**

| | | | | | | | | | |
| **15** | **$190,181,537** | **$6,669,964** | **$2,465,110** | **$50,000** | **$50,000** | **$50,000** | **$50,000** | **$164,027** | **$3,270,137** |

**Notes**

- **Item 1:** This Item 1 combines Items 1-5 from the Jan-Jun 2012 ROPS. Debt service payments due on July 1, 2012 have been moved from the Jan-Jun 2012 ROPS to the Jul-Dec 2012 ROPS. "Total Outstanding Obligations 6/30/12" and "Total Due During FY2012-13" amounts have been adjusted.
- **Items 3 & 4:** During the review by the Department of Finance (DOF) of the First ROPS, the DOF objected to the Cooperation Agreements with the El Cerrito Municipal Services Corporation and the City of El Cerrito. The Successor Agency has disputed the disagreement and is waiting for a response from DOF. The items are included on this Jan-Jun 2012 ROPS in order to request establishment of reserves while the Successor Agency awaits resolution of the dispute.
- **Items 5 & 6:** Should funds available for the Jan-Dec 2012 ROPS period be insufficient, the December 2012 payments on the ERAF and SERAF loans will be listed as obligations on the next ROPS.
- **Item 7:** Should there be insufficient RPT funding available for the Successor Agency Administrative Allowance, it will be included as an obligation on the next ROPS.
- **Items 12 & 14:** The Contra Costa County Auditor-Controller provided the payment estimates for FY11-12 pass-through payments subsequent to preparation of the draft ROPS. Pass-Through Payments are subject to subordination to debt service payments if insufficient RPT is available. Subordinated pass-through payments will be carried to subsequent ROPS until sufficient funds are available.