

**REPORT TO THE OVERSIGHT BOARD  
OF THE SUCCESSOR AGENCY  
OF THE FORMER MADERA REDEVELOPMENT AGENCY**

**SPECIAL BOARD  
MEETING OF:**

**October 29, 2012**

**AGENDA ITEM NUMBER:**

**4.1**

**APPROVED BY:**

  
\_\_\_\_\_  
**Executive Director**

**Subject: Convene a Public Comment Session Related to the Due Diligence Review of the Low and Moderate Income Housing Fund Submitted by Gallina, LLP, Certified Public Accountants**

**Summary: The Oversight Board will conduct a “public comment session” regarding the Due Diligence Review of the Low and Moderate Income Housing Fund (LMIHF).**

**HISTORY/BACKGROUND**

With the passing of AB1484, the legislature established new requirements for successor agencies to conduct a “Due Diligence Review” by a County-approved auditing firm to determine the unobligated balance available for transfer. The Due Diligence Review must include:

1. A valuation of all cash assets transferred from the former redevelopment agency to the successor agency on February 1, 2012.
2. The value of all cash assets transferred from the former redevelopment agency or successor agency to the city between January 1, 2011 and June 30, 2012.
3. The dollar value of any cash transferred from the former redevelopment agency or successor agency to any other public agency or private party between January 1, 2011 and June 30, 2012.

The legislation requires that the Oversight Board hold a “public comment session” five (5) business days prior to voting on the document. The Successor Agency approved an agreement with Gallina, LLP on August 8, 2012. The Department of Finance, State Controller and CalCPA didn't come to an agreement on audit procedures until August 29, 2012. The process was to be completed by October 15, 2012; however, we did not receive a draft document until October 19, 2012. The Department of Finance was notified that we would be unable to make the deadline.

**SITUATION**

The Due Diligence Review was performed by Gallina, LLP, a licensed County-approved auditor. The review covered periods of fiscal years 2010-2012. The purpose of the review is to determine the unobligated cash and cash equivalents available for disbursement to taxing entities. The following is a summary of review results:

1. Obtained and agreed a cash balance of \$2,206,131.00 from the LMIHF was transferred from the former Madera Redevelopment Agency to the Successor Agency on February 1, 2012.
2. Confirmed no transfers of assets from the LMIHF to the City of Madera or Madera County between January 1, 2011 and January 31, 2012 (prior to the dissolution date of redevelopment agencies on February 1, 2012).
3. Reviewed and compared assets listed on the Housing Assets Transfer form with the City's accounting records, such as journal vouchers, general ledger, and bank statements.
4. Obtained and reviewed the City of Madera Successor Housing Agency Resolution No. SHA 12-06 and the Oversight Board Resolution No. OB 12-02, which authorized the transfer of all housing assets (other than money on deposit in the LMIHF) from the former Madera Redevelopment Agency to the Successor Housing Agency.
5. Reviewed and agreed on the amounts listed in Appendix 1 (the assets for the Successor Housing Agency).
6. Reviewed, traced and verified accounting records, which no housing assets were transferred from the former Madera Redevelopment Agency to any other public agency or private parties between January 1, 2011 and June 30, 2012.

The Due Diligence Review determined that there were no unobligated Low and Moderate Income Housing Funds available for distribution.

**RECOMMENDATION**

The Oversight Board will conduct a "Public Comment Session" regarding the Due Diligence Review of the Low and Moderate Income Housing Fund. No action can be taken until the Special Meeting of the Oversight Board on November 5, 2012.

JET:sb

Attachment:  
-Due Diligence Review Report

**REPORT ON APPLYING  
AGREED-UPON PROCEDURES RELATING  
TO THE DUE DILIGENCE REVIEW TO THE  
SUCCESSOR AGENCY OF THE  
CITY OF MADERA REDEVELOPMENT AGENCY'S  
LOW AND MODERATE INCOME HOUSING FUND  
IN ACCORDANCE WITH AB 1484**

**AGREED-UPON PROCEDURES TO THE  
SUCCESSOR AGENCY OF THE  
CITY OF MADERA REDEVELOPMENT AGENCY**

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GALLINA<sub>LLP</sub>

CERTIFIED PUBLIC ACCOUNTANTS

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

Oversight Board of the Successor Agency  
of the Madera Redevelopment Agency  
Madera, California

We have performed the minimum required agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office and the Department of Finance solely to assist you in ensuring that the dissolved redevelopment agency is complying with its statutory requirements with respect to AB 1484. Management of the successor agency and the City of Madera are responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code sections 34179.5(c)(1) through 34179.5(c)(6). 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 minimum required agreed-upon procedures as set forth in Attachment A related to the Low and Moderate Income Housing Fund of the Successor Agency.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment A. 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 and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

GALLINA LLP

*Gallina LLP*

Roseville, California  
October 25, 2012

## ATTACHMENT A

### Agreed Upon Procedures Engagement Pursuant to AB1484 and Health and Safety Code Section 34179.5

*Purpose: to determine the unobligated balances of the (a) Low and Moderate Income Housing Fund*

#### Health and Safety Code Section 34179.5(c)

34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

1. **Procedure:** Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the book value of the assets transferred to the Successor Agency as of that date.

#### **Results:**

*Refer to Appendix 1 for a listing of assets transferred to the Successor Agency and comments, if any. The book value of the assets transferred was \$4,096,465 less liabilities of \$988,278.*

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34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The reviews shall provide documentation of any enforceable obligation that required the transfer.

2. **Procedure:** If the State Controller's Office has completed its review of transfers required under Section 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the due diligence AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a list prepared by the Successor Agency of all 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 or accounting requirements. Provide this listing as an attachment to the AUP report.

**Results:**

*The former redevelopment agency did not transfer any assets relating to the low and moderate income housing fund to the City/County that formed the redevelopment agency for the period January 1, 2011 through January 31, 2012.*

- B. Obtain a list prepared by the Successor Agency of all 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 or accounting requirements. Provide this listing as an attachment to the AUP report.

**Results:**

*The Successor Agency did not transfer any assets relating to the low and moderate income housing fund to the City/County that formed the redevelopment agency for the period 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.

**Results:**

*N/A. No amounts have been identified as a result of procedures 2A or 2B.*

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34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

- 3. **Procedure:** If the State Controller's Office has completed its review of transfers required under Section 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the due diligence AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a list prepared by the Successor Agency of all 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 or accounting requirements. Provide this listing as an attachment to the AUP report.



**Results:**

*The former redevelopment agency did not transfer any assets relating to the Low and Moderate Income Housing Fund to any other public agency or private party for the period January 1, 2011 through January 31, 2012.*

- B. Obtain a list prepared by the Successor Agency of all 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 or accounting requirements. Provide this listing as an attachment to the AUP report.

**Results:**

*The Successor Agency did not transfer any assets relating to the Low and Moderate Income Housing Fund to any other public agency or private party for the period 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.

**Results:**

*N/A. No amounts have been identified as a result of procedures 3A or 3C.*

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34179.5(c)(4)The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009-10 fiscal year.

**4. Procedure:** 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 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 ending 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.

**Results:**

*This procedure is not required for the Low and Moderate Income Housing Fund only report. Procedure to be performed for the Redevelopment Agency as a whole.*

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34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

- A. A statement of the total value of each fund as of June 30, 2012.
- 5. **Procedure:** 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 the assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets and liabilities 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 that were 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.

**Results:**

*Refer to Appendix 5 for a listing of the assets held by the Successor Agency related to the Low and Moderate Income Housing Fund.*

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34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

- 6. **Procedure:** 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.

**Results:**

*Refer to Appendix 6 for a listing of amounts that are legally restricted for unspent bond proceeds and cannot be provided to taxing entities for the Low and Moderate Income Housing Fund and comments, if any.*

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

**Results:**

*There are no amounts that are legally restricted by third parties and cannot be provided to taxing entities for the Low and Moderate Income Housing Fund.*

- C. Other assets considered to be legally restricted:
- i. Obtain 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.

**Results:**

*Refer to Appendix 6 for a listing of other amounts that are legally restricted and cannot be provided to taxing entities for the Low and Moderate Income Housing Fund, if any.*

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report.

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34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

**7. Procedure:** 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.

**Results:**

*Refer to Appendices 7A through 7D for a listing of assets that are not liquid or otherwise available for distribution that relate to the Low and Moderate Income Housing Fund.*

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34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

8. **Procedure:** 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.

**Results:**

*Refer to Appendix 8A for a listing of asset balances that the successor agency believes need to be retained to satisfy enforceable obligations.*

- 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.

**Results:**

*The Successor Agency has not asserted the need to retain any current balances to pay for enforceable obligations.*

- 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.

**Results:**

*The Successor Agency has not asserted the need to retain any current balances to pay for debt service obligations.*

- 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.

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34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

- 9. **Procedure:** 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.



**Results:**

*The Successor Agency has not asserted the need to retain any cash balances to satisfy obligations on the ROPS for the period of July 1, 2012 through June 30, 2013.*

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34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

10. **Procedure:** 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).

**Results:**

*Refer to Appendix 10 for the schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.*

**Appendix 1**  
**Successor Agency to the Madera Redevelopment Agency**  
**Health and Safety Code Section 34179.5(c )**  
**Procedure 1 - February 1, 2012**  
**Funds 40200 and 60600**  
**Special Revenue Housing Fund**

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	<u>Total</u>
<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 2,206,131
Accounts receivable	87,900
Due from primary government	38
Notes receivable, net of allowance	1,801,421
Prepaid items	975
<b>Total assets</b>	<u><u>\$ 4,096,465</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts payable	\$ -
Salaries payable	9,207
Due to primary government	16,548
Loans payable	956,607
<b>Total liabilities</b>	<u>982,362</u>
<b>Fund balances:</b>	
Assigned for various purposes	<u>3,114,102</u>
<b>Total fund balances</b>	<u>3,114,102</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 4,096,464</u></u>



**Appendix 5**  
**Successor Agency to the Madera Redevelopment Agency**  
**Health and Safety Code Section 34179.5(c.)**  
**Procedure 5**

	Successor Agency 5 Months Ending 6/30/2012
<b>Assets:</b>	
Cash, cash equivalents and investments	\$ 1,736,384
Accrued interest receivable	1,577
Due from primary government	38
Notes receivable, net of allowance	1,219,079
Prepaid items	85
Land	<u>1,440,000</u>
<b>Total assets</b>	<u><u>4,397,163</u></u> to Appendix 10
<b>LIABILITIES:</b>	
ACCOUNTS PAYABLE	\$ 372
ACCOUNTS PAYABLE - SALARY/VACATION	9,207
LOANS PAYABLE	972,048
DUE TO CITY	<u>12,723</u>
<b>Total liabilities</b>	<u>994,350</u>
<b>FUND BALANCES:</b>	
Assigned for various purposes	1,783,733
Unappropriated fund balance	<u>179,080</u>
<b>Total fund balances</b>	<u>1,962,813</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 4,405,469</u></u>
<b>Total Revenues:</b>	<u>\$ 67,359</u>
<b>Total Expenditures/Expenses:</b>	<u>\$ 1,210,342</u>
<b>Total Transfers:</b>	<u>\$ 1,440,000</u>
<b>Net change in equity</b>	<u>\$ 297,017</u>
<b>Beginning Equity:</b>	\$ 3,114,102
<b>Ending Equity:</b>	<u><u>\$ 3,411,119</u></u>
Plus: Capital Assets	-
Less: Long-term liabilities	(972,048)
<b>Government-Wide balances</b>	<u><u>\$ 2,439,071</u></u>

Information compiled from Agency's accounting records

Appendix 6				
City of Madera as the Successor agency to Former Redevelopment Agency				
Health and Safety Code Section 34179.5(c)				
Procedure 6 - List of assets restricted for ( a) unspent bond proceeds, (b) grant proceeds and (c) other assets considered to be legally restricted				
Description	Cost/Amount	Obtain successor agency's computation of the restricted balances (e.g total proceeds less eligible expenditures)	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).	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.
1 Housing Bond Proceeds	818,127.00			
2 Housing Bond Debt Service Reserve	271,268.66			
H&S Code Section 33413 3 Housing Replacement Obligation	500,000.00			
4 REHAB LOANS RECEIVABLE-05-01-CACERES	60,257.99			
5 REHAB LOANS RECEIVABLE-05-02-QUINTERC	59,072.20			
6 REHAB LOANS RECEIVABLE-05-03-LYON	64,363.29			
7 REHAB LOANS RECEIVABLE-05-04-LEE	647,485.62			
	2,420,574.76	to Appendix 10		

Appendix 7						
City of Madera as the Successor agency to Former Redevelopment Agency						
Health and Safety Code Section 34179.5(c )						
Procedure 7 - List of assets not liquid or otherwise available for distribution (capital assets, land held for resale , LT receivables etc) at June 30, 2012						
	Description	Address;Parcel#	Value	If listed at purchase cost, trace amounts to a previously audited statements or to sucesor accounting records and note any differences	If assets have been disposed, inspect evidence that proceeds were deposited into trust fund	If listed at estimated market value cost, inspect evidence supporting value and document methodology used
1	Land held for resale Unimpr	514 North B Street: 007-022-002	\$350,000.00	take out land held for resale		
2	Land held for resale Unimpr	321 East Central: 007-022-008	See footnote 1			
3	Land held for resale Unimpr	315 East Central: 007-022-010	See footnote 1			
4	Land held for resale Unimpr	329 East Central: 007-022-006	See footnote 1			
5	Land held for resale Unimpr	325 East Cenral: 007-022-007	See footnote 1			
6	Land held for resale Unimpr	413 North B Street: 007-031-016	See footnote 1			
7	Land held for resale Unimpr	427 North B Street: 007-031-019	See footnote 1			
8	Land held for resale Unimpr	408/408-1/2 North A Street: 007-031-004; 005	See footnote 1			
9	Land held for resale Unimpr	420 North A Street: 007-031-001	See footnote 1			
10	Land held for resale Unimpr	421 North B Street: 007-031-018	See footnote 1			
11	Land held for resale Unimpr	No. C at Fresno River: 007-022-014	See footnote 1			
12	Land held for resale Unimpr	416 North A Street: 007-031-002	See footnote 1			
13	Land held for resale Unimpr	417 North B Street: 007-031-017	See footnote 1			
14	Land held for resale Unimpr	501 North C Street: 007-063-001	See footnote 1			
15	Land held for resale Unimpr	411 North B Street: 007-065-003	See footnote 1			
16	Land held for resale	:				
17	Land held for resale Improve	301 Percy Street: 008-142-042	10,000.00			
18	Land held for resale Improve	307 Percy Street: 008-142-043	10,000.00			
19	Land held for resale Improve	313 Percy Street: 008-142-044	10,000.00			
20	Land held for resale Improve	319 Percy Street: 008-142-045	10,000.00			
21	Land held for resale Improve	325 Percy Street: 008-142-046	10,000.00			

	Description	Address;Parcel#	Value	If listed at purchase cost, trace amounts to a previously audited statements or to successor accounting records and note any differences	If assets have been disposed, inspect evidence that proceeds were deposited into trust fund	If listed at estimated market value cost, inspect evidence supporting value and document methodology used
22	Land held for resale Improve	331 Percy Street: 008-142-047	10,000.00			
23	Land held for resale Improve	337 Percy Street: 008-142-048	10,000.00			
24	Land held for resale Improve	318 Percy Street: 008-142-053	10,000.00			
25	Land held for resale Improve	312 Percy Street: 008-142-054	10,000.00			
26	Land held for resale Improve	1418 Santa Fe Street: 008-142-055	10,000.00			
27	Land held for resale Improve	1414 Santa Fe Street: 008-142-056	10,000.00			
28	Land held for resale Improve	1410 Santa Fe Street: 008-142-057	10,000.00			
29	Land held for resale Improve	1406 Santa Fe Street: 008-142-058	10,000.00			
30	Land held for resale Improve	297 Elm Street: 008-142-059	10,000.00			
31	Land held for resale Improve	275 Elm Street: 008-142-060	10,000.00			
32	Land held for resale Improve	253 Elm Street: 008-142-061	10,000.00			
33	Land held for resale Improve	239 Elm Street: 008-142-062	10,000.00			
34	Land held for resale Improve	221 Elm Street: 008-142-063	10,000.00			
35	Land held for resale Improve	252 Percy Street: 008-142-064	10,000.00			
36	Land held for resale Improve	270 Percy Street: 008-142-065	10,000.00			
37	Land held for resale Improve	294 Percy Street: 008-142-066	10,000.00			
38	Land held for resale Improve	Outlot: 008-142-067	10,000.00			
39	Land held for resale	:				
40	Land held for resale Unimpr	614 Sycamore/618 East 7th Street: 007-203-016	130,000.00			
41	Land held for resale Unimpr	624 East 7th Street: 007-203-023	See footnote 2			
42	Land held for resale Unimpr	620 East 7th Street: 007-203-022	See footnote 2			
43	Land held for resale Unimpr	623/625 East 7th Street: 007-203-018	See footnote 2			
44	Land held for resale Unimpr	620 East 6th Street: 007-174-010	See footnote 2			
45	Land held for resale Unimpr	616 East 6th Street: 007-174-009	See footnote 2			
46	Land held for resale	:				

	Description	Address;Parcel#	Value	If listed at purchase cost, trace amounts to a previously audited statements or to successor accounting records and note any differences	If assets have been disposed, inspect evidence that proceeds were deposited into trust fund	If listed at estimated market value cost, inspect evidence supporting value and document methodology used
47	Land held for resale 23 Lot S	Riverside Villas Subdivision - Lots 6-28: 005-014-008 thru 030	230,000.00			
48						
49						
50	Land held for resale Vacant	103 Grove Street: 012- 015-001				
51	Land held for resale Improve	723 South A Street: 011- 131-015	10,000.00			
52	Land held for resale Improve	425 Stinson Avenue: 011-213-011	10,000.00			
53	Land held for resale Two Im	824 South B Street and 820 South B Street 011-162-005	20,000.00			
54	Land held for resale Improve	401 Hull Avenue: 011- 233-017	10,000.00			
55	Land held for resale Two Im	340 Stinson Ave: 011- 233-030 344 Stinson Ave:011- 233-029	20,000.00			
56	Land held for resale Two Im	338 Stinson Ave: 011- 233-031 334 Stinson Ave:011- 233-032	20,000.00			
57	Land held for resale	217 North A Street: 007- 092-013	10,000.00			
58	Land held for resale Improve	129 Fig Street: 008-022- 014	10,000.00			
59	Land held for resale Improve	1708 North Lake Street: 004-170-007	40,000.00			
60	Land held for resale SF Hom	1220 Nebraska	120,000.00			
61	Land held for resale SF Hom	1224 Nebraska	120,000.00			
62	Land held for resale SF Hom	303 Central Ave	120,000.00			
3	Loan Receivable	Bravo	87,900.00			
4	Loan Receivable	Caceres				
5	Loan Receivable	Quintero				
6	Loan Receivable	Lee				
7	Loan Receivable	Lyons				
8	Loan Receivable	Pascuzi	300,000.00			
9						
			\$1,827,900.00	to Schedule 10		
	1. Riverwalk Subdivision 35 lots when completed					
	2. Midtown Subdivision 13 lots when completed					

Appendix 8a						
City of Madera as the Successor agency to Former Redevelopment Agency						
Health and Safety Code Section 34179.5(c)						
Procedure 8A - List of assets dedicated or restricted for repayment of enforceable obligations						
Description	Amount	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.
<u>Low Mod Fund</u>						
1 Low Mod Fund	11,373	Project Operations - Contract Services				
2 Low Mod Fund	16,875	Project Operations - Utilities				
3 Low Mod Fund	3,722	Project Operations - Profession Dues & Assessments				
4 Low Mod Fund	9,617	Project Operations - Other Supplies				
5 Low Mod Fund	100,000	Employee Cost				
6 Low Mod Fund	20,000	428 Yosemite office maintenance				
	161,587.00	to Schedule 10				
Auditor calculation is required if form is used						
Current dedicated or restricted balances	161,587.00					
Adjustments	xxxx					
	xxxx					
Resources Over(Under) Spending Requirements	161,587.00					

## Appendix 10

**Procedure:**

Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities pursuant to section 34179.5 (c) (6) of AB 1484.

**Results:**

See schedule included

**BALANCE AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES**

Total amount of assets held by the successor agency as of June 30, 2012	\$ 4,397,163
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (Appendix 6).	(2,420,575)
Loans receivable	(387,900)
Less assets that are not cash or cash equivalents (i.e. physical assets) Land held for resale (Appendix 7)	(1,440,000)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations)	<u>(161,587)</u>
Amount to be remitted to county for disbursement to taxing entities	<u>\$ (12,899)</u>