

SPECIAL MEETING OF THE  
OVERSIGHT BOARD

For the Successor Agency of the Former Redevelopment Agency of the City of Redlands

Members of the Board:

Paul Foster, Chairperson, appointed by the Mayor of the City of Redlands

Oscar Orci, Vice Chairperson, appointed by the Mayor, representing former redevelopment agency employees

Brad Mason, appointed by County Superintendent of Education

Cindy Saks, appointed by County Flood Control District

David Wert, appointed by County Board of Supervisors

Donna Ferracone, appointed by Chancellor of California Community Colleges

Jose Sandoval, appointed by County Board of Supervisors, representing the public

**A G E N D A**

The special meeting of the Oversight Board of the Successor Agency for the former Redevelopment Agency of the City of Redlands is at the date and time noted below in the City Council Chambers, Civic Center, 35 Cajon Street, Redlands, California, on:

**Wednesday, December 12, 2012  
4:30 P.M.**

Anyone desiring to speak at this meeting is encouraged, but not required, to turn in a "Speaker Sign-up Sheet." Forms are available prior to the meeting date in the Development Services Department, 210 E. Citrus Avenue, or in the City Council Chambers during the meeting. Speakers are limited to three (3) minutes each. Speakers may not "donate" their time to others.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Jason Montgomery of Municipal Utilities & Engineering Department, 909-798-7584 x5. 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 II).

NOTE: Any writings or documents distributed to a majority of the Oversight Board regarding an open session agenda item less than 72 hours before this meeting are available for public inspection at the Development Services Department.

**I. CALL TO ORDER AND PUBLIC COMMENT PERIOD - 3 MINUTES**

(At this time, the public has the opportunity to address the Oversight Board on any item of interest within the subject matter jurisdiction of the Oversight Board that does not appear on this agenda. The Oversight Board may not discuss or take any action on any public comment made, except that the Oversight Board members or Successor Agency staff may briefly respond to statements made or questions posed by members of the public)

**II. CONSENT CALENDAR**

None

III. COMMUNICATIONS

None

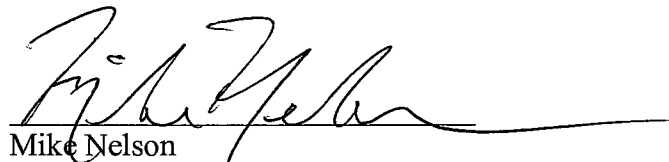
IV. NEW BUSINESS

Review and receive public comments regarding the Due Diligence Review of the Other Redevelopment Agency's Funds pursuant to Sections 34179.5(c)(1) through 34179.5(c)(6) of Assembly Bill 1484, and consideration of adoption of Resolution No. OB 2012-02 acknowledging receipt of the Due Diligence Review from the Successor Agency.

V. OLD BUSINESS

None

VI. ADJOURNMENT



Mike Nelson

Economic Development Manager

Successor Agency of the Former Redevelopment Agency for the City of Redlands

(Note that, in general, the above actions of the Oversight Board shall not become effective for five (5) business days, pending any request by the Department of Finance (DOF). If the DOF requests review of any of the above Board actions, the DOF will have up forty (40) days from the date of its request to approve the Board action or return the action to the Board for reconsideration. If the DOF returns the action unopposed, then any such modified action does not become effective until approved by the DOF.)

**REQUEST FOR OVERSIGHT BOARD ACTION**

**SUBJECT: DUE DILIGENCE REVIEW OF OTHER REDEVELOPMENT AGENCY FUNDS**

**MOTION:**

"I move to:

- 1) Accept public comments; and
- 2) Adopt Resolution No. OB 2012-021 acknowledging receipt of the Due Diligence Review of Other Redevelopment Agency Funds from the Successor Agency."

**DISCUSSION:**

The Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Redlands (the "Oversight Board") has been established to direct the Successor Agency to take certain actions to wind down the affairs of the former Redevelopment Agency in accordance with the California Health and Safety Code. Assembly Bill No. 1484, signed into law on June 27, 2012, significantly modifies AB 1X26, the redevelopment agency dissolution bill.

Specifically, AB 1484 will amend provisions of the Health and Safety Codes; specially, Section 34179.6, which requires the Successor Agency, in part, to prepare an independent accounting report (Due Diligence) of its Other Redevelopment Agency Funds and determine the amount of cash and cash equivalents available for allocation to taxing entities. These requirements include, but are not limited to:

1. Successor Agency must employ a licensed accountant to conduct the due diligence review;
2. The licensed accountant must have experience and expertise in local government accounting; and
3. The county auditor-controller must approve the licensed accountant.

Health and Safety Code Section 34179.6(a) requires the Due Diligence Review be completed by December 15, 2012. Further, Section 34179.6(b) requires that the Oversight Board convene a public comment session to take place at least five business days before the oversight board holds the approval vote. After the public comment session is concluded the Oversight Board will then convene a meeting to review and approve the Due Diligence review. The Oversight final action will then be transmitted to the Department of Finance, the County Auditor-Controller and the State Controller. Attached to this report is the Due Diligence review prepared by Lance, Soll and Lunghard, LLP, certified public accountants. This firm has been approved by the County Auditor-Controller

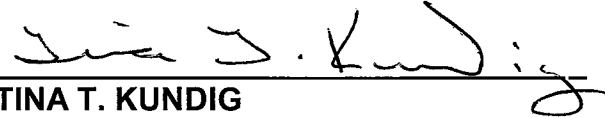
and has experience working with local government. In summary, the Due Diligence Review indicates that there is no cash and/or cash equivalents determined to be available for allocation to taxing entities.

**ATTACHMENTS:**


1. Due Diligence Review of Other Redevelopment Agency Funds pursuant to Sections 34179.5(c)(1) through 34179.5(c)(6) of Assembly Bill 1484.

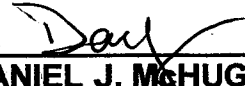
Respectfully submitted,

  
**MIKE NELSON**  
Economic Development Manager  
Successor Agency to the Redevelopment Agency

  
**TINA T. KUNDIG**  
Finance Director  
Successor Agency to the Redevelopment Agency

Approved for submission by:

  
**N. ENRIQUE MARTINEZ**  
Executive Director  
Successor Agency to the Redevelopment Agency

  
**DANIEL J. McHUGH**  
General Counsel,  
Successor Agency to the Redevelopment Agency

## Attachment #1

Due Diligence Review of Other Redevelopment Agency Funds pursuant to Sections 34179.5(c)(1) through 34179.5(c)(6) of Assembly Bill 1484.



**Successor Agency  
of the Former Redevelopment Agency of the  
City of Redlands**

**Due Diligence Review  
of the Other Redevelopment Agencies Funds  
Pursuant to Sections 34179.5(c)(1) through 34179.5(c)(6)  
of Assembly Bill No. 1484 of 2012**

**Lance Soll & Lunghard, LLP**

203 North Brea Blvd  
Suite 203  
Brea, CA 92821

41185 Golden Gate Circle  
Suite 103  
Murrieta, CA 92562

Successor Agency  
of the Former Redevelopment Agency of the  
City of Redlands

Due Diligence Review  
of the Other Redevelopment Agency Funds  
Pursuant to Sections 34179.5(c)(1) through 34179.5(c)(6)  
of Assembly Bill No. 1484 of 2012



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP  
*A Professional Corporation*
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Successor Agency of the  
Former Redevelopment Agency of the City of Redlands  
City of Redlands, California

We have performed the procedures enumerated in Attachment A for the Other Redevelopment Agency Funds, which were agreed to by the California State Controller's Office and the State of California Department of Finance (State Agencies) solely to assist you in ensuring that the dissolved redevelopment agency is complying with Assembly Bill 1484, Chapter 26, Section 17's amendment to health and safety code 34179.5. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Management of the successor agency is responsible for providing all the information obtained in performing these procedures. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

As stated above, the scope of this engagement was limited to performing the procedures identified in Attachment A, which specified the "List of Procedures for the Due Diligence Review" obtained from the California Department of Finance Website.

The results of the procedures performed are identified in Attachment B1 through B11.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of a certified opinion as to the appropriateness of the results of the procedures performed. 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 the Successor Agency.

This report is intended solely for the information and use of the Successor Agency Oversight Board, the Successor Agency and the applicable State Agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Lance, Soll & Lunghard, LLP*

Brea, California  
October 29, 2012



**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds**

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.
2. If the State Controller's Office has completed its review of transfers required under both sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - a. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - 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.
  - 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.
3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - a. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - 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.
  - 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.
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

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

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.
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 listing should be attached as an exhibit to the appropriate AUP report.
6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
- a. Unspent bond proceeds:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
    - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
  - b. Grant proceeds and program income that are restricted by third parties:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
    - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

- 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.
7. Perform the following:
- a. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
  - b. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
  - c. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
  - d. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.
8. Perform the following:
- 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.

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

- 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.

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.
10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).
11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Procedure 1

ATTACHMENT B1

List of Assets Transferred from the Former Redevelopment Agency to the Successor Agency  
Other Redevelopment Agency Funds  
As of February 1, 2012

<u>Asset</u>	<u>Balance at 2/1/2012</u>
Cash	\$ 667,348
Cash with fiscal agent	4,265,609
Accounts receivable	190
Interest receivable	57,494
Notes receivable	186,495
Intergovernmental receivable	216,423
<b>Total Assets transferred:</b>	<b>\$ 5,393,559</b>

Procedure 2  
 Listing of Transfers (Excluding Payments for Goods and Services) to the City  
 Other Redevelopment Agency Funds  
 For the Period from January 1, 2011 through June 30, 2012

Describe Purpose of Transfer	Enforceable Obligation (EO)/ Other Legal Requirement (LR)	Amount	Legal Documentation Obtained? (Y/N)
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From former Redevelopment Agency to City for January 1, 2011 through January 31, 2012

No transfers were made to the City of Redlands during this time period or they were diminimus.

From Successor Agency to City for February 1, 2012 through June 30, 2012

No transfers were made to the City of Redlands during this time period or they were diminimus.

Procedure 3  
 Listing of Transfers (Excluding Payments for Goods and Services) to Other Public Agencies or Private Parties  
 Other Redevelopment Agency Funds  
 For the Period from January 1, 2011 through June 30, 2012

Describe Purpose of Transfer	Enforceable Obligation (EO)/ Other Legal Requirement (LR)	Amount	Legal Documentation Obtained? (Y/N)
<u>From former Redevelopment Agency to other public agencies or private parties for January 1, 2011 through January 31, 2012</u>	EO	\$ 491,892	Y
Required SERAF Payment	Sub-total:	<u>491,892</u>	

From Successor Agency to other public agencies or private parties for February 1, 2012 through June 30, 2012

No transfers were made to other public agencies or to private parties during this time period or they were de minimis.

**Total Transfers to other public agencies or private parties for 1/1/2011 through 6/30/2012: \$ 491,892**



Procedure 4

Summary of the financial transactions of Redevelopment Agency and Successor Agency  
 Low and Moderate Housing Fund  
 Per schedule attached to List of Procedures for Due Diligence Review

ATTACHMENT B4

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
<b>Assets (modified accrual basis)</b>				
Cash	\$ 1,335,142	\$ 2,077,583	\$ 891,075	\$ 2,807,225
Cash w/ Fiscal Agent	3,601,597	3,601,588	4,265,608	3,601,651
Taxes Receivable	211,597	-	216,423	-
Interest Receivable	116,043	112,176	56,944	59,931
Notes Receivable	40,000	188,166	186,495	181,118
Accounts Receivable	-	-	190	-
<b>Total Assets</b>	<b>\$ 5,304,379</b>	<b>\$ 5,979,513</b>	<b>\$ 5,616,735</b>	<b>\$ 6,649,925</b>
<b>Liabilities (modified accrual basis)</b>				
Accounts Payable	\$ 118,039	\$ 19,939	\$ 23,854	\$ 2,874,192
Wages Payable	47,828	34,793	41,945	15,565
Deposits	97,484	97,484	97,484	97,484
<b>Total Liabilities</b>	<b>263,351</b>	<b>152,216</b>	<b>163,283</b>	<b>2,987,241</b>
<b>Equity</b>	<b>5,041,028</b>	<b>5,827,297</b>	<b>5,453,452</b>	<b>3,662,684</b>
<b>Total Liabilities + Equity</b>	<b>\$ 5,304,379</b>	<b>\$ 5,979,513</b>	<b>\$ 5,616,735</b>	<b>\$ 6,649,925</b>
<b>Total Revenues:</b>	<b>\$ 6,696,224</b>	<b>\$ 7,892,617</b>	<b>\$ 4,014,006</b>	<b>\$ 2,098,722</b>
<b>Total Expenditures:</b>	<b>12,348,205</b>	<b>5,425,513</b>	<b>4,141,239</b>	<b>3,889,490</b>
<b>Total Transfers:</b>	<b>19,315</b>	<b>(1,680,835)</b>	<b>(246,612)</b>	<b>5,453,452</b>
<b>Net change in equity</b>	<b>(5,632,666)</b>	<b>786,269</b>	<b>(373,845)</b>	<b>3,662,684</b>
<b>Beginning Equity:</b>	<b>10,673,694</b>	<b>5,041,028</b>	<b>5,827,297</b>	<b>-</b>
<b>Ending Equity:</b>	<b>\$ 5,041,028</b>	<b>\$ 5,827,297</b>	<b>\$ 5,453,452</b>	<b>\$ 3,662,684</b>
<b>Other Information (show year end balances for all four periods presented):</b>				
Capital assets as of end of year	\$ 2,792,363	\$ 2,846,836	\$ 2,846,836	\$ 2,846,836
Long-term debt as of end of year	34,185,000	32,578,309	30,150,000	30,150,000

Procedure 5  
 Listing of All Assets  
 Other Redevelopment Agency Funds  
 As of June 30, 2012

ATTACHMENT B5

Assets	Amount
Cash	
380000 1000	\$ 800,405
381000 1000	7,072
480000 1000	(223,542)
488000 1000	91,419
	<u>                    </u>
	TOTAL CASH: \$ 675,354
Cash with fiscal agent	
380000 1110	3,601,651
	<u>                    </u>
	TOTAL CASH WITH FISCAL AGENT: 3,601,651
Interest receivable	
380000 1240	59,931
	<u>                    </u>
	TOTAL INTEREST RECEIVABLE: 59,931
Notes Receivable	
488000 1260	181,118
	<u>                    </u>
	TOTAL NOTES RECEIVABLE: 181,118
Deferred Charges	
380000 1850	437,029
	<u>                    </u>
	TOTAL DEFERRED CHARGES: 437,029
Capital Assets	
480000 1800	2,733,418
480000 1820	13,418
480000 1825	(8,945)
480000 1838	100,000
	<u>                    </u>
	TOTAL CAPITAL ASSETS: 2,837,891
	<u>                    </u>
	TOTAL ASSETS AT 6/30/2012: \$ 7,792,974

Procedure 6  
 Listing of Assets that are Restricted  
 Other Redevelopment Agency Funds  
 As of June 30, 2012

Item #	Description	Documentation Referenced	Amount	Purpose	Legal Documentation Obtained? (Y/N)
1	Cash with fiscal Agent a) Reserve Account	380000 1110	\$ 3,601,651	Held in trust by fiduciary per bond restrictions	Y
		<b>TOTAL:</b>	<b>\$ 3,601,651</b>		

Procedure 7  
 Listing of Assets That Are Not Liquid or Otherwise Available for Distribution  
 Other Redevelopment Agency Funds  
 As of June 30, 2012

Item #	Description	Reference	Amount	Value Method	Variance Noted? (Y/N)
1	Interest receivable				
	a) Interest Receivable	380000 1240	\$ 59,931	Fiscal Agent Accrual	N
2	Long-term receivable				
	a) Notes Receivable	488000 1260	181,118	Balance due	N
3	Deferred charges				
	a) Bond issue costs	380000 1850	437,029	Cost	N
4	Capital Assets				
	a) Land	480000 1800	2,733,418	Cost	N
	b) Machinery & Equipment	480000 1820	13,418	Cost	N
	c) Accum Depreciation	480000 1825	(8,945)	Straight line	N
	d) Right of Way	480000 1838	100,000	Cost	N
			<u>2,837,891</u>		
			\$ 3,515,969		
<b>TOTAL RESTRICTIONS OF NON-CASH ITEMS</b>					

**Procedure 8a**

**Listing of Assets (resources) that are dedicated or restricted for the funding of enforceable obligations  
Other Redevelopment Agency Funds  
As of June 30, 2012**

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**ATTACHMENT B8a**

**NO ASSETS ARE DEDICATED OR RESTRICTED FOR THE FUNDING OF ENFORCEABLE OBLIGATIONS.**

Procedure 8b  
Listing of Assets (resources) that need to be retained due to insufficient funding for the funding of enforceable obligations  
Other Redevelopment Agency Funds  
As of June 30, 2012

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NO ASSETS NEED TO BE RETAINED DUE TO INSUFFICIENT FUNDING FOR THE FUNDING OF ENFORCEABLE OBLIGATIONS.

Procedure 8c  
Listing of Assets (resources) that need to be retained due to projected insufficient property tax revenues for bond debt payments  
Other Redevelopment Agency Funds  
As of June 30, 2012

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NO ASSETS NEED TO BE RETAINED DUE TO PROJECTED INSUFFICIENT PROPERTY TAX REVENUES FOR BOND PAYMENTS.

Procedure 9  
Listing of Assets (resources) that need to be retained due to projected insufficient property tax revenues for future ROPS  
Other Redevelopment Agency Funds  
As of June 30, 2012

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NO ASSETS NEED TO BE RETAINED DUE TO PROJECTED INSUFFICIENT PROPERTY TAX REVENUES FOR FUTURE ROPS.



**Procedure 10**

**Summary of Other Redevelopment Agency Funds Available for Allocation to Affected Taxing Entities**

**ATTACHMENT B10**

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5) \$ 7,792,974

Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)

To City -  
To other parties -

Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)

(3,601,651)

Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)

(3,515,969)

Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)

-

Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)

-

⊞ Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance

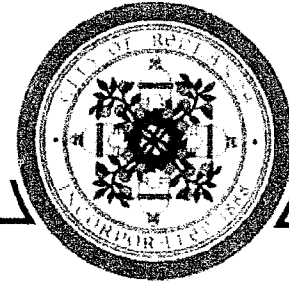
(2,427,959)

Amount to be remitted to county for disbursement to taxing entities

\$ (1,752,605) (a)

(a) Amount to be remitted to County for disbursement to taxing entities is zero.

*City of Redlands*



October 29, 2012

Lance, Soll & Lunghard, LLP  
 Certified Public Accountants  
 203 North Brea Boulevard, Suite 203  
 Brea, CA 92821-4056

We are providing this letter in connection with your performance of the Due Diligence Review of the Other Redevelopment Agency Funds in accordance with Assembly Bill 1484 for the Successor Agency of the former Redevelopment Agency of the City of Redlands. We confirm that we are responsible for the complete and fair presentation of the previously mentioned review in conformity with the listed procedures of the Assembly Bill 1484 Due Diligence Review as published by the State Department of Finance on August 27, 2012. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your review:

1. We have made available to you:
  - a. In accordance with 34179.5(c)(1), the dollar value of all assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.
  - b. In accordance with 34179.5(c)(2), the dollar value of all 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. We have also provided the documentation of any enforceable obligation that required the transfer.
  - c. In accordance with 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. We have also provided documentation of any enforceable obligation that required the transfer.
  - d. In accordance with 34179.5(c)(4), the expenditure and revenue accounting information and have identified 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.
  - e. In accordance with 34179.5(c)(5), a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012.

*"Preserving the Past, Protecting the Future"*

P.O. BOX 3005

• REDLANDS, CA 92373

- f. In accordance with 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.
  - g. In accordance with 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.
  - h. In accordance with 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, we have provided 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.
  - i. In accordance with 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.
2. There are no material transactions that have not been properly recorded in the accounting records underlying this Due Diligence Review.
  3. Management is not aware of any transfers (as defined by Section 34179.5) from either the former Redevelopment Agency or the Successor Agency to the City, other agencies or private parties for the period January 1, 2011 through June 30, 2012 that have not been identified in this report and related exhibits.
  4. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
  5. We have no knowledge of any fraud or suspected fraud affecting this Due Diligence Review involving:
    - a. Management,
    - b. Employees who have significant roles in internal control, or
    - c. Others where the fraud could have a material effect on this Due Diligence Review.
  6. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
  7. When applicable, we have taken timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that you have reported to us.
  8. We have identified to you any previous audits, attestation engagements, performance audits, state controller reports or other studies related to the objectives of this Due Diligence Review and whether related recommendations have been implemented.
  9. The Successor Agency of the former Redevelopment Agency of the City of Redlands has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
  10. We are responsible for compliance with the laws, regulations, provisions of contracts and grant agreements applicable to us, and all provisions related to the dissolution of the Redevelopment Agency in accordance with ABx1 26 and AB 1484.

11. There are no known violations of:
  - a. Laws and regulations,
  - b. Provisions of contracts and grant agreements,
  - c. Provisions related to the dissolution of the Redevelopment Agency in AB 1X 26 and AB 1484 whose effects should be considered for disclosure in this Due Diligence Review.
12. All bank accounts and investments associated with this review have been properly reflected in the general ledger accounting records.
13. No events, including instances of noncompliance, have occurred subsequent to the performance of this Due Diligence Review and through the date of this letter that would require adjustment to or disclosure in the aforementioned Due Diligence Review.

Signed: Eric J. Kundig

Title: Finance Director / City Treasurer

RESOLUTION NO. OB 2012-021

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
FORMER REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS  
ACKNOWLEDGING RECEIPT OF THE DUE DILIGENCE REVIEW OF THE FORMER  
REDEVELOPMENT AGENCY'S FUND BALANCES, OTHER THAN LOW AND  
MODERATE INCOME HOUSING FUNDS, PURSUANT TO HEALTH AND SAFETY  
CODE SECTION 34179.5

WHEREAS, pursuant to Health and Safety Code section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, (2011) (53 Cal. 4th 231), on February 1, 2012 all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Redevelopment Agency of the City of Redlands (the "Former Agency") transferred to the control of the successor agency to the Former Agency (the "Successor Agency") by operation of law; and

WHEREAS, Health and Safety Code section 34179.5 requires the Successor Agency to employ a licensed accountant, approved by the county auditor-controller, to conduct a Due Diligence Review to determine the unobligated balances available for transfer to taxing entities; and

WHEREAS, Health and Safety Code section 34179.6 requires the Successor Agency to submit the results of the review conducted pursuant to Section 34179.5 of the funds and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities (the "Due Diligence Review"), to the Successor Agency's Oversight Board (the "Oversight Board") for the Oversight Board's review and approval.

WHEREAS, pursuant to Health and Safety Code sections 34179.6 and 34180(j), the Successor Agency submitted to the Oversight Board, the county administrative officer, the county auditor-controller, the State Controller and the Department of Finance ("DOF") the due Diligence Review and a copy of the Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, pursuant to Health and Safety Code Section 34179.6(b), upon receipt of the Due Diligence Review, and at least five business days before the Oversight Board considers the approval of the Due Diligence Review, the Oversight Board must hold a public comment session (the "Public Comment Session") at which time the public has an opportunity to hear and be heard on the results of the Due Diligence Review and at which time the Oversight Board considers the opinions, if any, offered by the county auditor-controller on the results of the Due Diligence Review; and

WHEREAS, on the date of this Resolution, the Oversight Board held the Public Comment Session pursuant to Health and Safety Code Section 34179.6(b);

NOW, THEREFORE, BE IT RESOLVED, BY the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Redlands as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby acknowledges receipt of the Due Diligence Review.

Section 3. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

Section 5. Pursuant to California Health and Safety Code section 34179, all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED and ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Redlands held this 12th day of December, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Paul Foster, Chairperson of the  
Oversight Board of the Successor Agency  
to the former Redevelopment Agency of  
the City of Redlands

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Linda McCasland  
Oversight Board Secretary

**Successor Agency Contact Information**

**City of Redlands Successor Agency**

San Bernardino

County:

Tina Kundig  
Director of Finance, City of Redlands  
P.O Box 3005, Redlands, CA 92373  
909-798-7543  
[tkundig@CityofRedlands.org](mailto:tkundig@CityofRedlands.org)

Primary Contact Name:  
Primary Contact Title:  
Address  
Contact Phone Number:  
Contact E-Mail Address:

Jim Brown  
Economic Development Manager  
PO Box 3005, Redlands, CA 92373  
909-335-4755 x1  
[jbrown@CityofRedlands.org](mailto:jbrown@CityofRedlands.org)

Secondary Contact Name:  
Secondary Contact Title:  
Secondary Contact Phone Number:  
Secondary Contact E-Mail Address:

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: City of Redlands Successor Agency

		Total Outstanding Debt or Obligation
<b>Outstanding Debt or Obligation</b>		<b>\$ 78,100,041</b>
<b>Current Period Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
A	Available Revenues Other Than Anticipated RPTTF Funding	-
B	Anticipated Enforceable Obligations Funded with RPTTF	7,112,580
C	Anticipated Administrative Allowance Funded with RPTTF	183,098
D	Total RPTTF Requested (B + C = D)	7,295,678
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>		\$ 7,295,678
E	Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller)</i>	
F	Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ (7,295,678)
<b>Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments</b> (as required in HSC section 34186 (a))		
G	Enter Estimated Obligations Funded by RPTTF <i>(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	934,100
H	Enter Actual Obligations Paid with RPTTF	907,840
I	Enter Actual Administrative Expenses Paid with RPTTF	245,721
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	-
K	<b>Adjusted RPTTF</b> <i>(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</i>	\$ 7,295,678

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) of the Health and Safety code,  
 I hereby certify that the above is a true and accurate Recognized  
 Obligation Payment Schedule for the above named agency.

\_\_\_\_\_  
 Name

\_\_\_\_\_  
 Title

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date



Name of Successor Agency: City of Redlands Successor Agency  
 County: San Bernardino

Overnight Board Approval Date: \_\_\_\_\_

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)  
 January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source						
									LMHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTF	Other	Six-Month Total
<b>Grand Total</b>							\$ 78,100,041	\$ 10,484,351	\$ -	\$ -	\$ 183,098	\$ 7,112,680	\$ -	\$ -	\$ 7,296,078
1	Loan for Demand Payment	7/26/2012		City of Redlands	Loan from city to make demand payment to county auditor	Downtown	85,607	85,607				66,607			66,607
2	Loan for Enforceable Obligations	7/26/2012		City of Redlands	Loan from city to pay enforceable obligations	Downtown	3,157,400	3,157,400				3,157,400			3,157,400
3	1998 A Tax Allocation Refunding Bonds	12/1/1998		US Bank	Bond issue to fund non-housing projects	Downtown	26,777,874	3,639,077				2,187,598			2,187,598
4	2003 A Tax Allocation Refunding Bonds	11/1/2003		US Bank	Bond issue to fund housing/non-housing projects	Downtown	11,089,778	1,710,913				942,394			942,394
5	2007 A Tax Allocation Bonds	8/1/2007		US Bank	Bond issue to fund housing projects	Downtown	5,523,517	831,554				487,758			487,758
6	Fiscal Agent Fees			US Bank	Annual fiscal agent fees for bond issue	Downtown	192,500	17,500				8,750			8,750
7	Employees/Administrative Costs			City of Redlands	Bond debt service administration	Downtown	332,076.00	30,189				15,095			15,095
8	City Attorney Services	1/19/2006		Stralling Yocca Carlson & Rauff	Bond debt services advisory services	Downtown	88,000.00	8,000				4,000			4,000
9	Contract for Legal Services	7/19/2006		Applied Best Practices	Bond debt services advisory services	Downtown	26,400.00	2,400				1,200			1,200
10	Contract for Continuing Disclosure	2/17/2008		Lance, Sci & Lunnghard	Annual continuing disclosure for bond issues	Downtown	27,500.00	2,500				2,500			2,500
11	Contract for Tax Sharing Calculations	5/2/2011		HLL Coran & Cone	Annual tax sharing calculation updates	Downtown	110,000.00	10,000				6,000			6,000
12	Contract for Auditing Services	3/23/2010		Beit Best & Krueger LLP	Annual auditing services	Downtown	28,400.00	2,400				1,200			1,200
13	Contract for Legal Services			City of Redlands	Legal advice on Agency dissolution	Downtown	205,897.00	18,727				14,045			14,045
14	Employees/Administrative Costs			Community Bank	Management of the Oversight Board	Downtown	773,022.00	134,012				67,006			67,006
15	Lease of Office Space	6/29/2007		City of Redlands	Office space rent	Downtown	2,200.00	400				200			200
16	Lease of Office Space - Utilities			City of Redlands	Water, Sewer, Disposal charges	Downtown	65,250.00	15,500				7,750			7,750
17	Lease of Office Space - Telephone			Verizon & ATT	Telephone and long distance service	Downtown	55,000.00	10,000				5,000			5,000
18	Lease of Office Space - Electricity			So. CA Edison	Electrical utility service	Downtown	4,950.00	900				450			450
19	Lease of Office Space - Gas			So. CA Gas Company	Gas utility service	Downtown	1,950.00	3100				1,550			1,550
20	Lease of Office Space - Janitorial			Custom Service Systems	Janitorial services and supplies	Downtown	26,400.00	4,800				2,400			2,400
21	Office Equipment Lease			Xerox	Multi-functional printing device contract	Downtown	50,958.00	33,972				18,986			18,986
22	Employee/Administrative Costs			City of Redlands	Management and upkeep of real property	Downtown	30,000.00	20,000				10,000			10,000
23	Employee/Administrative Costs			City of Redlands	Administration of disposal of real property	Downtown	22,500.00	15,000				7,500			7,500
24	City Attorney Services			City of Redlands	Legal advice on disposal of real property	Downtown	3,900.00	2,400				1,200			1,200
25	Contract for Legal Services	3/23/2010		Beit Best & Krueger LLP	Legal advice on Agency dissolution	Downtown	30,000.00	20,000				10,000			10,000
26	Consultant Services			Various	Disposal of real property	Downtown	12,600.00	12,600				12,600			12,600
27	Contract for Consulting Services			Kromont & Associates	Real estate advisory services	Downtown	85,381.00	85,381				85,381			85,381
28	ERF and Downtown Specific Plan	4/27/2011		Toni Galles and Partners	ERF and Downtown Specific Plan	Downtown	21,107,724.00	229,469				127,628			127,628
29	ERF and Downtown Specific Plan			City of Redlands	Successor Agency administration	Downtown	7,247,239.00	59,892				49,782			49,782
30	ERF and Downtown Specific Plan			City of Redlands	Successor Agency administration	Downtown	409,872.00	4,088				2,927			2,927
31	ERF and Downtown Specific Plan			City of Redlands	Successor Agency administration	Downtown	206,869.00	1,704				1,317			1,317
32	ERF and Downtown Specific Plan			City of Redlands	Successor Agency administration	Downtown	136,004.00	1,140				878			878
33	ERF and Downtown Specific Plan			City of Redlands	Successor Agency administration	Downtown	137,546.00	1,140				878			878
34	ERF and Downtown Specific Plan			City of Redlands	Successor Agency administration	Downtown	295,136.00	2,136				1,610			1,610
35	ERF and Downtown Specific Plan			City of Redlands	Successor Agency administration	Downtown	183,394.00	1,512				1,171			1,171
36	ERF and Downtown Specific Plan			City of Redlands	Successor Agency administration	Downtown	477,284.00	3,948				2,927			2,927

Name of Successor Agency: City of Redlands Successor Agency  
 County: San Bernardino

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)**  
**January 1, 2012 through June 30, 2013**

Item #	Notes/Comments
1	<p>On July 11, 2012 the Successor Agency received a demand for payment in the amount of \$2,601,269 from the County of San Bernardino Auditor-Controller pursuant to section 34183.5(b)(2)(A) of the California Health and Safety Code.</p> <p>On July 12, 2012, the Successor Agency made the payment to the Auditor-Controller using the \$2,535,662 balance held in its Redevelopment Obligation Retirement Fund and a \$65,607 loan from the City of Redlands.</p> <p>Loan payments are stated in full in order to establish reserves for future repayments to the City as funding allows.</p>
2	<p>On July 26, 2012, the Successor Agency and City of Redlands approved a loan in the amount of \$3,157,400 to pay for the enforceable obligations from July through December 2012. On July 25, 2012 the Oversight Board approved each loan and directed the Successor Agency to include them on the Recognized Obligation Payment Schedule as enforceable obligations pursuant to section 34173(h) of the California Health and Safety Code.</p> <p>Loan payments are stated in full in order to establish reserves for future repayments to the City as funding allows.</p>
3	<p>Bond totals include amounts as reserves for bond payments due on August 1, 2013 pursuant to Section 34171(d)(1)(A).</p>
4	<p>Bond totals include amounts as reserves for bond payments due on August 1, 2013 pursuant to Section 34171(d)(1)(A).</p>
5	<p>Bond totals include amounts as reserves for bond payments due on August 1, 2013 pursuant to Section 34171(d)(1)(A).</p>

