

RESOLUTION NO. OBSARDA2012-012

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY APPROVING THE DUE DILIGENCE REVIEW OF THE LOW AND MODERATE INCOME HOUSING FUND CONDUCTED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5 AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. 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.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Highland Redevelopment Agency transferred to the control of the Successor Agency to the Highland Redevelopment Agency (the "Successor Agency") by operation of law.

B. 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.

C. Health and Safety Code Section 34179.6 requires the Successor Agency to submit the results of the review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund (the "LMIHF") 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.

D. 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").

E. 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.

F. On October 4, 2012, the Oversight Board held the Public Comment Session pursuant to Health and Safety Code Section 34179.6 (b).

G. Pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board must review, approve and transmit to DOF and the county auditor-controller, the determination of the amount of cash and cash equivalents in the LMIHF available for disbursement to taxing entities as determined according to the method provided in Section 34179.5. Section 34179.6 (c) provides that the Oversight Board may adjust any amount provided in the Due Diligence Review to reflect additional information and analysis.

H. Section 34179.6(c) empowers the Oversight Board to authorize the Successor Agency to retain assets or funds identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5. If the Oversight Board makes this authorization, the Oversight Board must identify to DOF the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. The determination and authorization to retain funds and assets shall be subject to the review and approval of DOF pursuant to Health and Safety Code Section 34179.6(d).

I. Pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board desires to approve the Due Diligence Review and to authorize the Successor Agency to retain the assets and funds, if any, identified pursuant to subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5, as documented in the Due Diligence Review.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

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

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34179.6(c).

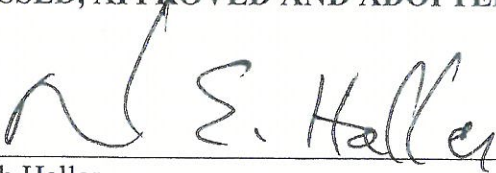
Section 3. The Oversight Board hereby approves the Due Diligence Review as presented on file with the Secretary.

Section 4. For the purposes of providing for the transfer of housing functions and assets pursuant to Health and Safety Code Sections 34176 and 34181(c), the Oversight Board hereby authorizes the Successor Agency to retain the assets and funds, if any, identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5, as documented in the Due Diligence Review, which provides the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained.

Section 5. The staff of the Successor Agency is hereby directed to transmit to DOF and the county auditor-controller written notice and information regarding the actions taken by this Resolution and specifically the determination of the amount of cash and cash equivalents in the LMIHF that are available for disbursement to taxing entities as determined according to the method provided in Health and Safety Code Section 34179.5. Such notice to DOF shall be provided by electronic means and in a manner of DOF's choosing.

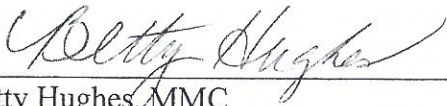
Section 6. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to execute and record such documents and instruments and to do any and all other things which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

PASSED, APPROVED AND ADOPTED this 11th day of October, 2012.



Rich Haller
Vice Chair

ATTEST:



Betty Hughes, MMC
Secretary

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF HIGHLAND)

I, BETTY HUGHES, Secretary of the Oversight Board of the Successor Agency to the Highland Redevelopment Agency of the City of Highland, California, do hereby certify Oversight Board of the Successor Agency to the Redevelopment Agency Resolution No. OBSARDA2012-012 was duly and regularly adopted by the Oversight Board of the Successor Agency to the Highland Redevelopment Agency, Highland, California, at a special meeting thereof held on the 11th day of October, 2012, by the following vote:

AYES: Haller, Huff, Jaquess, Saks, Sutorus

NOES: None

ABSTAIN: None

ABSENT: McCallon, Peukert



BETTY HUGHES, MMC
SECRETARY

**SUCCESSOR AGENCY TO THE CITY OF
HIGHLAND REDEVELOPMENT AGENCY**

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON DUE DILIGENCE
REVIEW PROCEDURES**

**LOW AND MODERATE INCOME
HOUSING FUND**

SUCCESSOR AGENCY TO THE CITY OF HIGHLAND REDEVELOPMENT AGENCY
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CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON DUE DILIGENCE REVIEW PROCEDURES**

Successor Agency to the City of Highland Redevelopment Agency
Highland, California

We have performed the due diligence review procedures enumerated below, which were agreed to by the Successor Agency to the City of Highland Redevelopment Agency, the California State Controller's Office and the Department of Finance, solely to assist you in determining the unobligated balances in the Low and Moderate Income Housing Funds available to transfer to taxing entities pursuant to California Health and Safety Code Section 34179.5(c). Management of the Successor Agency is responsible for the accounting records pertaining to the unobligated balances. This engagement to apply agreed-upon procedures 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 the report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Low and Moderate Income Housing Fund of 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.

We noted that \$6,378,689 of assets was transferred from the former redevelopment agency to the Low and Moderate Income Housing Fund of the Successor Agency on February 1, 2012.

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 Low and Moderate Income Housing Fund of 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.

Based on the listing of transfers from the Low and Moderate Income Housing Fund of the former redevelopment agency for the period January 1, 2011 through January 31, 2012, we noted three transfers to the Debt Service Fund of the redevelopment agency. Refer to Exhibit 2.

B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Fund of 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.

Based on the listing of transfers from the Low and Moderate Income Housing Fund of the Successor Agency for the period February 1, 2012 through June 30, 2012, we noted three transfers to the Debt Service Fund of the Successor Agency. Refer to Exhibit 3.

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.

Refer to Exhibits 2 and 3 for the legal document that formed the basis for the enforceable obligation that required the transfers.

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 Low and Moderate Income Housing Fund of 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.

Per the Successor Agency, there was one transfer from the Low and Moderate Income Housing Fund of the former redevelopment agency to other public agencies or to private parties for the period from January 1, 2011 through January 31, 2012. Refer to Exhibit 4.

B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Fund of 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.

Per Successor Agency staff members, there were no transfers from the Low and Moderate Income Housing Fund of the Successor Agency to other public agencies or to private parties for the period from February 1, 2012 through June 30, 2012.

C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Refer to Exhibit 4 for the legal document that formed the basis for the enforceable obligation 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 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 account 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.

Because the procedures required by Section 34179.5(c)(4) pertain to the Successor Agency as a whole, these procedures will be addressed in the report that is due on December 15, 2012.

- 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. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Refer to Exhibit 5 for a listing of the assets of the Low and Moderate Income Housing Fund as of June 30, 2012.

6. Obtain from the Successor Agency a listing of Low and Moderate Income Housing Fund asset balances held on June 30, 2012 that is 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.

We noted unspent bond proceeds of \$3,200,000. Refer to Exhibit 6.

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.

Per the Successor Agency, no grant proceeds or program income are restricted by third parties.

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 Agency as restricted.

Per the Successor Agency, no other assets are considered to be legally 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.

Refer to Exhibit 6.

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of Low and Moderate Income Housing Fund 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.

Per the Successor Agency, there were no assets as of June 30, 2012 that are not liquid or otherwise available for distribution.

- B. If the assets listed at 6(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.

This procedure is not applicable.

- C. For any differences noted in 6(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.

This procedure is not applicable.

- D. If the assets listed at 6(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.

This procedure is not applicable.

8. Perform the following procedures:

- A. If the Successor Agency believes that Low and Moderate Income Housing Fund 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.

The Successor Agency believes that no Low and Moderate Income Housing Fund asset balances 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 of the Low and Moderate Income Housing Fund 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.

The Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation of the Low and Moderate Income Housing Fund are sufficient to fund future obligation payments and thus retention of current balances is not required.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Low and Moderate Income Housing Fund of 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.

The Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Low and Moderate Income Housing Fund of the Successor Agency are sufficient to pay bond debt service payments.

- 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 need to be retained.
 - iii. Include the calculation in the AUP report.

This procedure is not applicable.

9. If the Successor Agency believes that Low and Moderate Income Housing Fund 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.

The Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through June 30, 2013. Refer to Exhibit 7.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from the Low and Moderate Income Housing Fund. 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).

Refer to Exhibit 1.

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.

A representation letter was obtained from 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 on the calculation of the unobligated balances in the Low and Moderate Income Housing Funds available to transfer to taxing entities pursuant to California Health and Safety Code Section 34179.5(c). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency, Oversight Board, County Auditor-Controller, 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.

Eadie and Payne, LLP

September 20, 2012
Redlands, California

SUCCESSOR AGENCY TO THE CITY OF HIGHLAND
REDEVELOPMENT AGENCY
**SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED
TAXING ENTITIES**

Total amount of assets held by the Successor Agency as of June 30, 2012 - Exhibit 5	\$ 6,283,481
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments - Exhibit 6	3,200,000
Less balances needed to satisfy ROPS for the 2012-2013 fiscal year - Exhibit 7	<u>114,174</u>
Amount to be remitted to county for disbursement to taxing entities	<u>\$ 2,969,307</u>

**SUCCESSOR AGENCY TO THE CITY OF HIGHLAND
 REDEVELOPMENT AGENCY
 DETAIL OF TRANSFERS FROM THE LOW AND MODERATE INCOME HOUSING
 FUND OF THE REDEVELOPMENT AGENCY TO OTHER RDA FUNDS
 FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

<u>Amount</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis for Transfer</u>
\$518,174	6/1/2011	Transfer to RDA debt service fund to provide for debt service principal and interest payment on Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2007.	Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2007 Official Statements.
379,864	6/1/2011	Transfer to RDA debt service fund to provide for debt service principal and interest payment on Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2004A.	Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2004A Official Statements.
57,208	6/1/2011	Transfer to RDA debt service fund to provide for debt service principal and interest payment on Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2004B.	Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2004B Official Statements.

**SUCCESSOR AGENCY TO THE CITY OF HIGHLAND
 REDEVELOPMENT AGENCY
 DETAIL OF TRANSFERS FROM THE LOW AND MODERATE INCOME HOUSING
 FUND OF THE SUCCESSOR AGENCY TO OTHER SUCCESSOR AGENCY FUNDS
 FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012**

<u>Amount</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis for Transfer</u>
\$ 929,531	6/1/2012	Transfer to RDA debt service fund to provide for debt service interest payment on Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2007.	Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2007 Official Statements.
378,966	6/1/2012	Transfer to RDA debt service fund to provide for debt service interest payment on Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2004A.	Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2004A Official Statements.
70,884	6/1/2012	Transfer to RDA debt service fund to provide for debt service interest payment on Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2004B.	Highland Redevelopment Agency Highland Redevelopment Project Area No. 1 Tax Allocation Revenue Bonds, Series 2004B Official Statements.

SUCCESSOR AGENCY TO THE CITY OF HIGHLAND
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE REDEVELOPMENT AGENCY TO
OTHER PUBLIC AGENCIES
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

<u>Amount</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis for Transfer</u>
\$ 695,278	1/27/2012	Transfer of receivable to the Highland Housing Authority to retain future revenue streams produced by senior housing.	Transferred to the City of Highland Housing Authority pursuant to Health and Safety Code Section 34176(b).

SUCCESSOR AGENCY TO THE CITY OF HIGHLAND
REDEVELOPMENT AGENCY
DETAIL OF LOW AND MODERATE INCOME HOUSING FUND ASSETS
AS OF JUNE 30, 2012

<u>Asset Description</u>	<u>Amount</u>
Cash - pooled deposits	\$ 6,278,454
Accrued interest	<u>5,027</u>
Total	<u><u>\$ 6,283,481</u></u>

SUCCESSOR AGENCY TO THE CITY OF HIGHLAND REDEVELOPMENT AGENCY
DETAIL OF UNSPENT BOND PROCEEDS CONSIDERED TO BE LEGALLY RESTRICTED
 AS OF JUNE 30, 2012

<u>Cash in Pooled Deposit</u>	<u>Accounting Records/Other Supporting Documentation</u>	<u>Legal Document</u>	<u>Time Period of Restriction</u>
\$ 3,200,000	G/L detail/reconciliation of expenditures	Official Bond document for \$17,525,000 Highland Redevelopment Agency Highland Redevelopment Project Area No. 1, Tax Allocation Refunding Bonds, Series 2004A	The restriction is in effect until the related assets are expended for their intended purpose.

**SUCCESSOR AGENCY TO THE CITY OF HIGHLAND REDEVELOPMENT AGENCY
 DETAIL OF CASH BALANCES THAT ARE NEEDED TO SATISFY OBLIGATIONS THAT
 WILL BE PLACED ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 FOR THE PERIOD OF JULY 1, 2012-JUNE 30, 2013**

Obligation No.	Project Name/Debt Obligation	Payee	Description	Total Obligation	Dollar Amount to be Retained	Reason for Amount to be Retained
<u>Recognized Obligation Payment Schedule July 1, 2012 through December 31, 2012</u>						
29)	Neighborhood Pride Grant Admin	City of Highland	Neighborhood Pride Grant Program	\$ 13,416.25	\$ 13,416.25	To reimburse the Successor Agency for enforceable obligations per ROPS
30)	Contract for Neighborhood Pride Grant Program-LMI	Guerrero, Alfonso	Neighborhood Pride Grant Program	930.42	930.42	To reimburse the Successor Agency for enforceable obligations per ROPS
31)	Contract for Neighborhood Pride Grant Program-LMI	Newton, Samuel	Neighborhood Pride Grant Program	26.02	26.02	To reimburse the Successor Agency for enforceable obligations per ROPS
				<u>14,372.69</u>	<u>14,372.69</u>	
<u>Recognized Obligation Payment Schedule January 1, 2013 through June 30, 2013</u>						
74)	Neighborhood Pride Grant Program Contract-28934 Merris Street	Aguilar, Julian	Neighborhood Pride Grant Program	25,000.00	25,000.00	To reimburse the Successor Agency for enforceable obligations per ROPS
75)	Neighborhood Pride Grant Program Contract-7564 Hillview Street	Armenta, Juan and Katia	Neighborhood Pride Grant Program	876.22	876.22	To reimburse the Successor Agency for enforceable obligations per ROPS
76)	Neighborhood Pride Grant Program Contract-26571 Sparks Street	Bach, Cuong	Neighborhood Pride Grant Program	1,416.33	1,416.33	To reimburse the Successor Agency for enforceable obligations per ROPS

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 DETAIL OF CASH BALANCES THAT ARE NEEDED TO SATISFY OBLIGATIONS THAT
 WILL BE PLACED ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (Continued)
 FOR THE PERIOD OF JULY 1, 2012-JUNE 30, 2013**

Obligation No.	Project Name/Debt Obligation	Payee	Description	Total Obligation	Dollar Amount to be Retained	Reason for Amount to be Retained
77)	Neighborhood Pride Grant Program Contract-7960 Tyler Street	Duarte, Lorenzo and Lillie	Neighborhood Pride Grant Program	\$ 205.41	\$ 205.41	To reimburse the Successor Agency for enforceable obligations per ROPS
78)	Neighborhood Pride Grant Program Contract-29017 Greenspot Road	Garcia Jr., Hector	Neighborhood Pride Grant Program	555.16	555.16	To reimburse the Successor Agency for enforceable obligations per ROPS
79)	Neighborhood Pride Grant Program Contract-28981 Greenspot Road	Garcia, Martha/Joe/Ibeth/Cesar	Neighborhood Pride Grant Program	4,030.00	4,030.00	To reimburse the Successor Agency for enforceable obligations per ROPS
80)	Neighborhood Pride Grant Program Contract-27143 Norwood Street	Heaton, Kristin	Neighborhood Pride Grant Program	4,371.61	4,371.61	To reimburse the Successor Agency for enforceable obligations per ROPS
81)	Neighborhood Pride Grant Program Contract-7966 Tyler Street	Mujica, Joseph and Margaret	Neighborhood Pride Grant Program	17,325.00	17,325.00	To reimburse the Successor Agency for enforceable obligations per ROPS
82)	Neighborhood Pride Grant Program Contract-27115 Cole Avenue	Pirkle, Doris	Neighborhood Pride Grant Program	7,665.86	7,665.86	To reimburse the Successor Agency for enforceable obligations per ROPS
83)	Neighborhood Pride Grant Program Contract-26793 Crest Street	Rackley, Elsie	Neighborhood Pride Grant Program	3,238.26	3,238.26	To reimburse the Successor Agency for enforceable obligations per ROPS
84)	Neighborhood Pride Grant Program Contract-26674 Sparks Street	Rendleman, Robert and Judy	Neighborhood Pride Grant Program	126.25	126.25	To reimburse the Successor Agency for enforceable obligations per ROPS

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 DETAIL OF CASH BALANCES THAT ARE NEEDED TO SATISFY OBLIGATIONS THAT
 WILL BE PLACED ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (Continued)
 FOR THE PERIOD OF JULY 1, 2012-JUNE 30, 2013**

Obligation No.	Project Name/Debt Obligation	Payee	Description	Total Obligation	Dollar Amount to be Retained	Reason for Amount to be Retained
85)	Neighborhood Pride Grant Program Contract-27232 Pacific Street	Saddington, Richard	Neighborhood Pride Grant Program	\$ 19,160.00	\$ 19,160.00	To reimburse the Successor Agency for enforceable obligations per ROPS
86)	Neighborhood Pride Grant Program Contract-26718 Bruce Street	Salehpour, Khosrow	Neighborhood Pride Grant Program	2,415.86	2,415.86	To reimburse the Successor Agency for enforceable obligations per ROPS
87)	Neighborhood Pride Grant Program Contract Administration	City of Highland	Neighborhood Pride Grant Program	<u>13,416.25</u>	<u>13,416.25</u>	To reimburse the Successor Agency for enforceable obligations per ROPS
				<u>99,802.21</u>	<u>99,802.21</u>	
			Total Amount to Retain	\$ <u>114,174.90</u>	\$ <u>114,174.90</u>	