AGENDA ITEM NO. 3.a.

THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

INTER-DEPARTMENT MEMORANDUM

To:	Matthew J. Fertal	From:	Kingsley Okereke
Dept:	Director	Dept:	Finance
Subject:	APPROVAL OF THE NON-HOUSING ASSET DUE DILIGENCE REVIEW	Date:	December 11, 2012

OBJECTIVE

The purpose of this report is for The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development (Successor Agency), to approve the attached Non-Housing Asset Due Diligence Review (Review) and transmit the Review, pursuant to Section 34179.6 of the Health and Safety Code, to the Oversight Board to The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development (Oversight Board) for approval.

BACKGROUND/DISCUSSION

Pursuant to Health and Safety Code Section 34179.5, the Successor Agency has employed a licensed auditor to conduct a due diligence review of its non-housing assets. Further, Health and Safety Code Section 34179.6 requires that the Review be completed by December 15, 2012, and forwarded to the Oversight Board, the State Controller, the County Auditor-Controller, the County Administrative Officer, and the State Department of Finance.

On December 5, 2012, the Oversight Board convened a Public Comment Session as described by the statute. The Oversight Board must approve the Review by January 15, 2013, and is scheduled to consider this item at its December 12, 2012, Regular Meeting.

The Successor Agency received approval from the County Auditor-Controller to employ MGO Certified Public Accountants (MGO) to conduct the attached Review. MGO completed the Review on December 3, 2012, and it was transmitted to the various agencies listed above pursuant to the statute.

FINANCIAL IMPACT

None.

RECOMMENDATION

Staff recommends the Successor Agency:

- Approve the attached Non-Housing Asset Due Diligence Review; and
- Direct staff to transmit said Review to the Oversight Board for consideration.

KINGSLEY OKEREKE
Finance Director

By: Jim DellaLonga
Senior Project Manager

Attachment: Non-Housing Asset Due Diligence Review

Recommended for Approval

Matthew Fertal
Director

Attachment

SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

Independent Accountant's Report on
Applying Agreed-Upon Procedures
to the Successor Agency to the
Garden Grove Agency for Community Development

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

Certified Public Accountants.

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SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

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Certified Public Accountants.

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

Sacramento

Walnut Creek

Oakland

LA/Century City

San Diego

Seattle

Successor Agency to the Garden Grove
Agency for Community Development
Garden Grove, California

Independent Accountant's Report on
Applying Agreed-Upon Procedures

We have performed the procedures in Attachment A, which were agreed to by the Successor Agency to the Garden Grove Agency for Community Development (Successor Agency), California State Controller's Office and California Department of Finance (collectively referred to as Specified Parties) solely to assist you in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency, excluding assets transferred from the Low and Moderate Income Housing Fund of the former redevelopment agency, as prescribed in Section 34179.5 of the California Health and Safety Code (Code) as of June 30, 2012.

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

Management of the Successor Agency is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Specified Parties. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested, or for any other purpose.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the assets transferred to the Successor Agency, excluding assets transferred from the Low and Moderate Income Housing Fund of the former redevelopment agency, and the balance available for transfer to the taxing entities. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency, California State Controller's Office and the California Department of Finance, and is not intended to be, and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Newport Beach, California
November 29, 2012

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SUCCESSOR AGENCY TO THE GARDEN GROVE AGNECY FOR COMMUNITY DEVELOPMENT
Attachment A - Agreed-Upon Procedures and Findings

Our procedures and findings are as follows:

1) **Procedure:**

Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency, excluding assets transferred from the Low and Moderate Income Housing Fund of the former redevelopment agency, on or about February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Finding: We noted the former redevelopment agency transferred assets in the amount of $103,034,901 from the former redevelopment agency to the Successor Agency, excluding assets transferred from the Low and Moderate Income Housing Fund of the former redevelopment agency, on February 1, 2012. We agreed the transfers to account balances established in the accounting records.

2) **Procedures:**

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency, excluding the Low and Moderate Income Housing Fund, to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency, excluding the Low and Moderate Income Housing Fund held by the Successor Agency, to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

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

SUCCESSOR AGENCY TO THE GARDEN GROVE AGNECY FOR COMMUNITY DEVELOPMENT
Attachment A - Agreed-Upon Procedures and Findings (Continued)

Findings: We noted that the State Controller's Office has not completed its review of transfers as of the date of this report. Procedure 2A is not applicable to the Successor Agency as there were no transfers from the former redevelopment agency to the City for the period from January 1, 2011 through January 31, 2012.

For procedures 2B and 2C, we noted transfers of assets in the aggregate amount of $1,049,726 that were not supported by an enforceable obligation or other legal document that required the transfers. Please refer to Exhibit A for the results of the procedures performed.

3) **Procedures:**

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency, excluding the Low and Moderate Income Housing Fund, to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency, excluding the Low and Moderate Income Housing Fund, to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

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

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

4) **Procedures:**

A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.

B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.

C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.

D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

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

5) **Procedure:**

Obtain from the Successor Agency a listing of all assets of the Successor Agency, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, as of June 30, 2012. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the AUP report.

Finding: No exceptions were noted as a result of the procedure performed. Please refer to Exhibit C for a listing of all assets of the Successor Agency, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, as of June 30, 2012.

6) **Procedures:**

Obtain from the Successor Agency a listing of asset balances held on June 30, 2012, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, that are restricted for the following purposes:

A. Unspent bond proceeds:

   i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)

ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

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

i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).

ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

C. Other assets considered to be legally restricted:

i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).

ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Findings: No exceptions were noted as a result of the procedures performed. Please refer to Exhibit D for the listing of the Successor Agency's restricted asset balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, as of June 30, 2012.

7) **Procedures:**

A. Obtain from the Successor Agency a listing of assets, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value, as recently estimated by the Successor Agency.

B. If the assets listed at 7A are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

C. For any differences noted in 7B, inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

D. If the assets listed at 7A are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Findings: No exceptions were noted as a result of the procedures. Please refer to Exhibit E for the listing of Successor Agency asset balances other than cash and cash equivalents, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, as of June 30, 2012.

8) **Procedures:**

A. If the Successor Agency believes that asset balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012, that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.

   i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.

   ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.

   iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.

   iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

B. If the Successor Agency believes that future revenues, together with balances (excluding the Low and Moderate Income Housing Fund held by the Successor Agency) dedicated or restricted to an enforceable obligation, are insufficient to fund future obligation payments, and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:

   i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012, and for the six month period July 1, 2012 through December 31, 2012.

   ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.

      a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.

   iii. For the forecasted annual revenues:

      a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.

   i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.

   ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.

   iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

D. If procedures 8A, B, or C were performed, calculate the amount of current unrestricted balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, necessary for retention in order to meet the enforceable obligations by performing the following procedures.

   i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.

ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.

iii. Include the calculation in the AUP report.

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

9) **Procedure:**

If the Successor Agency believes that, as of June 30, 2012, cash balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012, and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Findings: Based on our inquiry with management, the Successor Agency believes that $15,342,863 of the cash balances, excluding the Low and Moderate Income Housing Fund assets held by the Successor Agency, as of June 30, 2012, are needed to satisfy obligations on the ROPS for the period July 1, 2012 through December 31, 2012. No exceptions were noted as a result of the procedure performed. Please refer to Exhibit F for the results of this procedure.

10) **Procedure:**

Include a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012, as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment.

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

11) **Procedure:**

Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency, excluding assets transferred from the Low and Moderate Income Housing Fund, to other parties for the period from January 1, 2011 through June 30, 2012, that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Finding: No exceptions were noted as a result of this procedure.

SUCCESSOR AGNECY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT
EXHIBIT A -SUCCESSOR AGENCY, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND HELD BY THE SUCCESSOR AGENCY, ASSETS TRANSFERRED TO THE CITY OF GARDEN GROVE, FOR THE PERIOD FROM FEBRUARY 1, 2012 THROUGH JUNE 30, 2012

	Asset Description	Name of the Recipient	Date of Transfer	Book value of asset at date of transfer	Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer	Finding
1	Cash	City of Garden Grove	2/14/2012	$ 509,726		$ 509,726
2	Cash	City of Garden Grove	2/14/2012	540,000	Cash was transferred from the Successor Agency to the City for reimbursement of 2002 Certificates of Participation principal and interest payments. The Department of Finance (DOF) disallowed these items as an enforceable obligations in the approval letter for Recognized Obligation Payment Scheduled (ROPS) for period of July to December 2012. The letter was issued on May 25, 2012.	540,000
				$ 1,049,726		$ 1,049,726

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SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT
EXHIBIT B - SUMMARY OF FINANCIAL TRANSACTIONS

	Redevelopment Agency 12 Months Ending 6/30/2010	Redevelopment Agency 12 Months Ending 6/30/2011	Redevelopment Agency 7 Months Ending 1/31/2012	Successor Agency 5 Months Ending 6/30/2012
Assets:				
Cash and cash investments	$ 28,741,691	$ 30,686,048	$ 32,125,046	$ 24,073,671
Cash and cash investments with fiscal agents	6,042,753	4,775,986	4,772,020	4,772,020
Taxes receivable	562,265	148,204	-	-
Accounts receivable	73,505	91,803	76,673	100,377
Interest receivable	152,434	186,165	-	20,878
Notes receivable	6,602,149	5,113,136	4,984,124	1,622,999
Allowance for notes receivable	(434,855)	-	(70,000)	-
Intercity loans receivable	12,120,726	13,829,748	13,829,748	-
Allowance for intercity loans receivable	-	-	(13,729,748)	-
Land held for resale	66,953,759	76,302,992	76,302,992	76,682,295
Deposits	50,000	-	-	-
Total assets	$ 120,864,427	$ 131,134,082	$ 118,290,855	$ 107,272,240
Liabilities:				
Accounts payable	$ 5,982,405	$ 6,660,832	$ 5,568,472	$ 12,714,016
Accrued liabilities	62,564	33,158	-	25,953
Refundable deposits	725,340	724,930	724,930	724,930
Due to the City of Garden Grove	123,639	327,348	-	-
Deferred revenue	6,167,293	7,422,373	7,223,360	3,932,235
Advances from other funds	12,120,726	13,829,748	100,000	-
Total liabilities	25,181,967	28,998,389	13,616,762	17,397,134
Equity	95,682,460	102,135,693	104,674,093	89,875,106
Total liabilities and equity	$ 120,864,427	$ 131,134,082	$ 118,290,855	$ 107,272,240
Total revenues:	$ 33,020,734	$ 30,655,325	$ 11,247,363	$ 673,793
Total expenditures:	35,806,194	26,702,092	8,554,801	13,977,777
Total transfers and other financing sources and users:	1,456,614	2,500,000	(154,162)	-
Extraordinary gain	-	-	-	103,179,090
Net change in equity	(1,328,846)	6,453,233	2,538,400	89,875,106
Beginning equity:	97,011,306	95,682,460	102,135,693	-
Ending equity:	$ 95,682,460	$ 102,135,693	$ 104,674,093	$ 89,875,106

Reconciliation of former redevelopment agency ending equity as of January 31, 2012 to the Successor Agency's extraordinary gain as of June 30, 2012

Former redevelopment agency ending equity	[redacted]	[redacted]	$ 104,674,093	[redacted]
Transfer to Housing Successor			(4,412,951)	
Transfer from RV Park Fund			2,917,948	
Extraordinary gain on RDA dissolution			(103,179,090)	
Successor agency beginning equity			$ -	

Other Information (show year end balances for all three years presented)

Capital Assets as of end of year	$ 1,880,461	$ 1,860,461	[redacted]	$ 1,420,000
Long term debt as of end of year	$ 119,000,341	$ 115,493,027		$ 85,049,268

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SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY
FOR COMMUNITY DEVELOPMENT
EXHIBIT C - SUCCESSOR AGENCY ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY, AS OF JUNE 30, 2012

Asset		6/30/2012
Cash and cash investments	$	14,293,137
Cash and cash investments with fiscal agents		4,772,020
Accounts receivable		100,377
Interest receivable		20,878
Notes receivable		1,622,999
Land held for resale		76,682,295
Deferred issuance cost		829,786
Land		1,200,000
Capital assets net of depreciation		220,000
Total Assets	$	99,741,492

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SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

EXHIBIT D - SUCCESSOR AGENCY RESTRICTED ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND RESTRICTED ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY, AS OF JUNE 30, 2012

Assets	6/30/2012	Computation of the Restricted Balance	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate in the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended
A. Unspent Bond Proceeds				
Cash and cash investments with fiscal agents	$ 4,596,503	Accounting Records	Trustee Statements	The 2003 Tax Allocation Bonds official statement restricts the use of bond proceeds until the related assets are expended for their intended purpose.
Total Assets	$ 4,596,503			
B. Grant Proceeds and Program Income				
	$ -			
Total Assets	$ -			
C. Other Assets Considered Legally Restricted				
Cash and cash investments with fiscal agents	$ 175,517	Accounting Records	Trustee Statements	The Promissory Note of 2008 Subordinate Note restricts the use of proceeds until the related assets are expensed for their intended purpose.
Total Assets	$ 175,517			
Summary of restricted assets listed in sections A, B, and C	$ 4,772,020			

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SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

EXHIBIT E - SUCCESSOR AGENCY ASSETS OTHER THAN CASH AND CASH EQUIVALENTS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND ASSETS TANSFERRED TO THE SUCCESSOR AGENCY, AS OF JUNE 30, 2012

Asset	6/30/2012	Basis (i.e. Book Value/Fair Market Value)	Description of the records provided supporting the book value listed (i.e. previously audited financial statements or the accounting records) and any differences noted. If differences pertain to disposal of assets, note whether the proceeds were deposited.	Description of the methodology used to support the market value listed. If no evidence is available to support the value and/or the methodology used, note as a finding in the report.
Accounts receivable	$ 100,377	Book Value	Accounting Records	Not Applicable - Book Value
Interest receivable	20,878	Book Value	Accounting Records	Not Applicable - Book Value
Notes receivable	1,622,999	Book Value	Accounting Records	Not Applicable - Book Value
Land held for resale	76,682,295	Book Value	Accounting Records	Not Applicable - Book Value
Deferred issuance cost	829,786	Book Value	Accounting Records	Not Applicable - Book Value
Land	1,200,000	Book Value	Accounting Records	Not Applicable - Book Value
Capital assets net of depreciation	220,000	Book Value	Accounting Records	Not Applicable - Book Value
Total assets	$ 80,676,335			

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CITY OF GARDEN GROVE REDEVELOPMENT AGENCY

EXHIBIT F - RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM JULY 1, 2012 THROUGH DECEMBER 31, 2012 (EXCERPT)

Project Name / Debt Obligation	Agreement Execution Date	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Funding Source	Payments by month July 2012	Aug 2012	Sep 2012	Octr 2012	Nov 2012	Dec 2012	Total	Amount of cash to be retained	Successor Agency rationale for retaining cash balances to satisfy the obligations
2003 Tax Allocation Bonds	08/12/03	Bank of New York Mellon	Land Acquisition & Public Improvements	$ 46,470,000	$ 4,347,238	RPTTF	$ -	$ -	$ 3,201,669	$ -	$ -	$ -	$3,201,669	$ 3,201,669	ROPS II installment is not sufficient to pay for obligation.
Sheraton Hotel DDA - (2015)	06/26/01	Kam Sang Inc. (Performance Based)	Cost of Project Improvements	1,700,000	450,000	RPTTF	450,000	-	-	-	-	-	450,000	450,000	ROPS II installment is not sufficient to pay for obligation.
OfficeMax Com Rehab Agmt	07/21/04	OfficeMax (Performance Based)	Commercial Rehabilitation (Quarterly Payments)	3,943,044	850,000	RPTTF	-	212,500	-	-	212,500	-	425,000	425,000	ROPS II installment is not sufficient to pay for obligation.
Katella Cottages OPA - (2027)	06/10/08	Heritage Village Note Investors (Performance Based)	Land Acquisition and Project Improvements	3,105,342	76,450	RPTTF	-	-	-	76,450	-	-	76,450	76,450	ROPS II installment is not sufficient to pay for obligation.
Katella Cottages Note - (2027)	06/10/08	U.S. Bank	Land Acquisition and Project Improvements	1,825,000	176,450	RPTTF			124,750	-	-	-	124,750	124,750	ROPS II installment is not sufficient to pay for obligation.
Augustine Note - (2016)	01/08/02	Augustine Trust	Land Acquisition	560,641	88,257	RPTTF	7,355	7,355	7,355	7,355	7,355	7,355	44,130	44,130	ROPS II installment is not sufficient to pay for obligation.
Coastline Lease Payments - (2016)	03/04/94	Coastline Com College Dist.	Office Space Rent (Payments in Aug and Feb)	1,325,890	320,934	RPTTF	36,539	68,217	-	-	-	-	104,756	104,756	ROPS II installment is not sufficient to pay for obligation.
Volkswagen of Garden Grove - (2021)	06/28/12	Countywide Rambler, Inc. (Performance Based)	Cost of Project Improvements (Quarterly Payments)	700,000	30,000	RPTTF	-	7,500	-	-	7,500	-	15,000	15,000	ROPS II installment is not sufficient to pay for obligation.
Union Bank Loan	05/01/08	Union Bank of California	Land Acquisition - Estimated Monthly Payments - Variable Interest	36,800,000	4,700,000	RPTTF	391,667	391,667	391,667	391,667	391,667	391,667	2,350,002	2,350,002	ROPS II installment is not sufficient to pay for obligation.
Sycamore Walk DDA	11/12/96	Olson Urban Housing	Quarterly Soil/Ground Water Monitoring Events	207,000	23,000	RPTTF	-	5,750	-	-	5,750	-	11,500	11,500	ROPS II installment is not sufficient to pay for obligation.
Operational/Project Labor		City of Garden Grove	Project Labor (per approved Enforceable Obligations)		760,792	RPTTF	63,400	63,400	63,400	63,400	63,400	63,400	380,400	380,400	ROPS II installment is not sufficient to pay for obligation.
Legal Services	02/01/12	Stradling Yocca Carlson & Rauth/Woodruff Spradling & Smart	Legal Services Associated with Enforceable Obligations - Estimated Monthly Costs - May vary		200,000	RPTTF	16,667	16,667	16,667	16,667	16,667	16,667	100,002	100,002	ROPS II installment is not sufficient to pay for obligation.
Purchase & Sale Agreement	08/24/09	Richard and Yong Kil	Land Acquisition and Project Improvements	2,784,382	2,784,382	Other	2,784,382	-	-	-	-	-	2,784,382	2,784,382	ROPS II installment is not sufficient to pay for obligation.
Waterpark Hotel DDA	05/12/09	Garden Grove MXD & Various	Site Assembly/Project Assistance	6,500,000	6,500,000	Other	-	-	-	-	-	5,000,000	5,000,000	4,264,818	ROPS II installment is not sufficient to pay for obligation.
Agency Property Maint/Management	n/a	Various	Management and Maintenance of Successor Agency Owned Property Awaiting Development or Disposal	varies	100,000	Other	8,334	8,334	8,334	8,334	8,334	8,334	50,004	50,004	ROPS II installment is not sufficient to pay for obligation.
Brookhurst Triangle DDA	11/23/10	Various	Site Clearing/Preparation	835,000	835,000	Other	835,000	-	-	-	-	-	835,000	835,000	ROPS II installment is not sufficient to pay for obligation.
Administrative Labor	City of Garden Grove	Labor Directly Associated with the Administration of the Successor Agency and Oversight Board	n/a	n/a	257,240	Admin	21,436	21,436	21,436	21,436	21,436	21,436	128,616	125,000	ROPS II installment is not sufficient to pay for obligation.
Total														$ 15,342,863	

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SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

EXHIBIT G - SUCCESSOR AGENCY ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY, THAT ARE AVAILABLE TO DISTRIBUTE TO AFFECTED TAXING ENTITIES AS OF JUNE 30, 2012

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	$	99,741,492
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)		1,049,726
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)		(4,772,020)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		(80,676,335)
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)		(15,342,863)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		-
Amount to be remitted to county for disbursement to taxing entities	$	-

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