



September 13, 2013

Ms. Kelly McAdoo, Assistant City Manager
City of Hayward
777 B Street
Hayward, CA 94541

Dear Ms. McAdoo:

Subject: Other Funds and Accounts Due Diligence Review

This letter supersedes the California Department of Finance's (Finance) original Other Funds and Accounts (OFA) Due Diligence Review (DDR) determination letter dated August 8, 2013. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Hayward Successor Agency (Agency) submitted an oversight board approved OFA DDR to Finance on May 24, 2013. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Since the Agency did not meet the January 15, 2013 submittal deadline pursuant to HSC section 34179.6 (c), Finance was not bound to completing its review and making a determination by the April 1, 2013 deadline pursuant to HSC section 34179.6 (d). Finance issued an OFA DDR determination letter on August 8, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer session was held on August 27, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed. Specifically, the following adjustments were made:

- Transfers to the City of Hayward (City) in the amount of \$4,752,000. The former Redevelopment Agency (RDA) made several cash transfers to the City during the fiscal year ended June 30, 2011. However, per HSC section 34179.5 (c) (2), the dollar value of assets and cash transferred by the former RDA or successor agency to the city, county, or city and county that created the former RDA between January 1, 2011 through June 30, 2012, must be evidenced by documentation of the enforceable obligation that required the transfer. HSC section 34179.5 states enforceable obligation includes any of the items listed in subdivision (d) of section 34171, contracts detailing specific work that were entered into by the former RDA prior to June 28, 2011, with a third party other than the city, county, or city and county that created the former RDA. HSC section 34171 (d) (2) states enforceable obligation does not include any agreements, contracts, or arrangements between the city that created the RDA and the former RDA. As discussed further in the following sections, transfers totaling \$4,752,000 are disallowed because they are all agreements or arrangements between the city that created the RDA and the former RDA. In addition, these city and RDA agreements or arrangements do not meet the exceptions outlined in HSC section 34171 (d) (2).

- Repayment of advances to the City in the amount of \$2,220,000. The former RDA entered into a Repayment Agreement with the City in 1975 for advances received for the Hayward Development Project. The Repayment Agreement has been amended and restated numerous times. The Agency contends this is not a loan; however, neither loans nor agreements between the city and former RDA are considered enforceable obligations, unless the agreement was at the time of the issuance of indebtedness or within two years of the creation of the former RDA pursuant to HSC section 34171 (d) (2). The agreement is not related to the issuance of indebtedness and the former RDA was established in 1969. The Agency made two \$800,000 installment payments in January and July 2011 pursuant to the Amended and Restated Repayment Agreement entered into on July 1, 2008. Additionally, a partial payment of \$620,000 for the prior year's installment payment was transferred to the City pursuant to former RDA Board Resolution RA 11-07 (Resolution RA 11-07) in March 2011. Because these payments are not considered enforceable obligations, the OFA available balance has been increased by \$2,220,000.
- Repayment of City loans totaling \$1,917,000 as identified in the General Ledger for the Redevelopment Operating Fund provided by the Agency. Resolution RA 11-07 directed the former RDA to make several cash transfers to the City on March 2, 2011, to repay loans funded by the City's Water Enterprise Fund, Water Replacement Fund, and Sewer Enterprise Fund. HSC section 34171 (d) (2) states that enforceable obligations do not include any agreements between the city, county, or city and county that created the RDA, unless the loan agreement was entered into within the first two years of creation. The former RDA was established in 1969 and according to Resolution RA 11-07, the loans from the Water Funds were made in or about 1990 and the loan from the Sewer Fund was made in or about 2003. Therefore, the total transfer of \$1,917,000 for four payments (\$624,629 + \$416,446 + \$44,048 + \$831,877) is not allowed, and the OFA balance available has been increased by \$1,917,000.
- Transfer of \$450,000 from the former RDA Fund to the City's Street System Improvement Fund. Former RDA Board Resolution RA 11-14, dated June 28, 2011, authorized the transfer to cover the local match requirement for the City's grant award from the California Department of Transportation. While the City received the grant in 2010, the former RDA did not commit its funds to the project until June 28, 2011. HSC section 34163 (b) prohibits agencies from entering into any agreements after June 27, 2011. Furthermore, the grant documentation provided was for a grant awarded to the City, not the former RDA, and the contracts that were entered into by the City with third parties were all dated after June 27, 2011. Arrangements between the City that created the RDA and the former RDA are not enforceable obligations. Therefore, the OFA balance available has been increased by \$450,000.
- Transfers to the City's General Fund in the amount of \$165,000. The former RDA's general ledger lists a "supplemental to general fund" monthly expense in the amount of \$13,750. This reoccurring expense was incurred on the last day of each month during 2011 totaling \$165,000 (\$13,750 x 12). During the Meet and Confer process, the Agency stated that these transfers included \$55,000 for the Downtown Business Improvement Association and \$90,000 for public art projects. The Agency provided City contracts with third parties, most of which

were entered into after June 27, 2011, and actions taken by the City Council approving the annual budget for the Business Improvement Area Fund. However, the Agency did not provide any supporting documentation showing that the former RDA had committed the use of the funds to third parties prior to June 27, 2011. Arrangements between the city that created the RDA and the former RDA are not enforceable obligations. Therefore, the OFA balance available has been increased by \$165,000.

The repayment of loans may become enforceable obligations after the Agency receives a Finding of Completion from Finance. If the oversight board makes a finding that the loans were for legitimate redevelopment purposes, the loans should be placed on future Recognized Obligation Payment Schedules (ROPS) for repayment. Refer to HSC section 34191.4 (b) for more guidance.

- The Agency requested to restrict a combined balance of \$7,338,068 for the ROPS periods of July through December 2012 (ROPS II) and January through July 2013 (ROPS III). Finance initially determined that the OFA balance available should be increased by \$4,326,136. Based on additional review during the Meet and Confer process, the Agency should retain \$4,467,493 (\$3,184,476 + \$143,019 + \$1,139,998) for enforceable obligations. Accordingly, the OFA balance available will be increased by \$2,870,575 (\$7,338,068 - \$4,467,493) as further discussed below.

- The Agency received \$2,868,913 from the Redevelopment Property Tax Trust Fund (RPTTF) for the ROPS II period in June 2012. Additionally, for the ROPS II period, the Agency reported \$315,563 that was approved to be expended from RPTTF funding as being expended from Reserves on the Prior Period Estimates vs. Actuals tab with the July through December 2013 (ROPS 13-14A) form. Therefore, the Agency may retain \$3,184,476 (\$2,868,913 + \$315,563) for the ROPS II period.

Finance notes that HSC section 34177 (a) (3) states that only those payments listed in the approved ROPS may be made from the funding source specified in the ROPS. However, HSC section 34177 (a) (4) goes on to state that with prior approval from the oversight board, the successor agency can make payments for enforceable obligations from sources other than those listed in the ROPS. In the future, the Agency should obtain prior oversight board approval when making payments for enforceable obligations from a funding source other than those approved by Finance.

- For the ROPS III period, Finance approved and the Agency received \$4,216,021 from the RPTTF in January 2013. Since the Agency received the full amount approved for the ROPS III period and the ROPS III distribution is not included in the June 30, 2012 balance, the Agency is not permitted to retain additional balances for the ROPS III period. However, the Agency requested and Finance did not deny \$143,019 in reserve balances for the ROPS III period. Therefore, the Agency may retain \$143,019 for the ROPS III period.
- For the ROPS 13-14A period, Finance approved and the Agency received \$2,308,884, which consists of \$843,673 from the RPTTF and \$1,465,211 from the ROPS II prior period adjustment. Since the Agency received the full amount approved for the ROPS 13-14A period and the ROPS 13-14A distribution is not

included in the June 30, 2012 balance, the Agency is not permitted to retain additional balances for the ROPS 13-14A period. However, the Agency requested and Finance did not deny \$1,139,998 in reserve balances for the ROPS 13-14A period. Therefore, the Agency may retain \$1,139,998 for the ROPS 13-14A period.

The Agency's OFA balance available for distribution to the affected taxing entities is \$5,856,617 (see table below).

OFA Balances Available For Distribution To Taxing Entities	
Available Balance per DDR:	\$ (1,765,958)
Finance Adjustments	
Disallowed transfers	\$ 4,752,000
Disallowed balances retained for fiscal year 2012-13 obligations	2,870,575
Total OFA available to be distributed:	\$ 5,856,617

This is Finance's final determination of the OFA balances available for distribution to the taxing entities. HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient. Upon submission of payment, it is requested you provide proof of payment to Finance within five business days.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1) (B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC sections 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the

city, county, or any other public agency. Determinations outlined in this letter do not in any way eliminate the Controller's authority.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Tracy Vesely, Finance Director, City of Hayward
Ms. Carol Orth, Tax Analysis Division Chief, County Auditor-Controller, County of Alameda
Mr. Steven Mar, Bureau Chief, Local Government Audit Bureau, California State Controller's Office

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES
ALL FUNDS OTHER THAN THE LOW
AND MODERATE INCOME HOUSING FUND
ASSOCIATED WITH CALIFORNIA HEALTH AND SAFETY
CODE SECTIONS 34179.5(c)(1) THROUGH 34179.5(c)(6)
FOR THE SUCCESSOR AGENCY OF THE
HAYWARD REDEVELOPMENT AGENCY**

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**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES ON
ALL FUNDS OTHER THAN THE LOW AND
MODERATE INCOME HOUSING FUND
ASSOCIATED WITH CALIFORNIA HEALTH AND SAFETY
CODE SECTIONS 34179.5(c)(1) THROUGH 34179.5(c)(6)**

To the Oversight Board of the Successor Agency of
The Hayward Redevelopment Agency
Hayward, California

We have applied the procedures below, which were agreed to by the Successor Agency of the Hayward Redevelopment Agency, solely to assist you with respect to the procedures required under California Health and Safety Code Sections 34179.5(c)(1) through 34179.5(c)(6) for all funds other than the Low and Moderate Income Housing Fund of the Successor Agency of the Hayward Redevelopment Agency for the year ended June 30, 2012, also referred to as the Due Diligence Review by the Code. These procedures were suggested by the Governmental Auditing and Accounting Committee, as agreed to by the California State Department of Finance and State Controller's Office. Management of the Successor Agency is responsible for the accounting records, the Attachment and information provided pertaining to the statutory compliance pursuant to Health and Safety Code Section 34179.5. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures you requested us to perform and our findings were as follows:

Citation:

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

Suggested Procedure(s):

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.

Results: We obtained the following listing from the staff of the City of Hayward (City staff) and agreed the transferred amounts listed to the Successor Agency's accounting records without exception.

	<u>Balances Transferred to Successor Agency on February 1, 2012</u>
ASSETS	
Current assets:	
Cash and investments	\$ 9,464,524
Cash and investments with fiscal agent	<u>214,096</u>
Total current assets	<u>9,678,620</u>
Noncurrent assets:	
Loans receivable	33,526,981
Land held for resale	9,565,031
Capital assets:	
Land and land improvements	5,277,955
Depreciable capital assets, net	<u>13,726,549</u>
Total noncurrent assets	<u>62,096,516</u>
Total Assets	<u>\$ 71,775,136</u>

Citation:

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

Suggested Procedure(s):

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.

Results: Not applicable. While the Redevelopment Agency transferred all assets to the City on March 1, 2011, all assets were subsequently transferred back to the Redevelopment Agency and then transferred to the Successor Agency on February 1, 2012.

- 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.

Results: Not applicable. According to City staff, there were no such transfers that occurred February 1, 2012 through June 30, 2012.

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

Results: Not applicable.

Citation:

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

Suggested Procedure(s):

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.

Results: Per inquiry of City staff, the Redevelopment Agency did not make any transfers from Other Funds to other public agencies or to private parties for the period from January 1, 2011 through January 31, 2012.

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

Results: Per inquiry of City staff, the Redevelopment Agency did not make any transfers from Other Funds 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.

Results: Not applicable.

Citation:

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

Suggested Procedure(s):

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 Attachment A 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.

Result: See Schedule below:

**REDEVELOPMENT AGENCY
OF THE CITY OF HAYWARD (DISSOLVED AGENCY)
COMPARATIVE ASSET BALANCE LISTING**

	Redevelopment Agency 12 Months Ended <u>6/30/2010</u>	Redevelopment Agency 12 Months Ended <u>6/30/2011</u>	Redevelopment Agency 7 Months Ended <u>1/31/2012</u>	Successor Agency 5 Months Ended <u>6/30/2012</u>
Assets (modified accrual basis)				
Cash and investments	\$ 15,496,928	\$ 4,153,377	\$ 15,133,494	\$ 5,432,374
Cash and investments with fiscal agent	4,009,382	4,249,265	214,096	4,009,367
Accounts receivable	330,419	9,744	-	139,736
Interest receivable	42,952	7,736	-	-
Due from other funds	-	-	1,477,344	-
Loans receivable	41,260,914	33,973,002	41,528,707	33,446,012
Long-Term interfund receivable	3,421,374	3,876,516	3,876,516	-
Land held for redevelopment	10,272,570	-	10,272,570	9,565,031
Total assets	<u>\$ 74,834,539</u>	<u>\$ 46,269,640</u>	<u>\$ 72,502,727</u>	<u>\$ 52,592,520</u>
Liabilities (modified accrual basis)				
Accounts payable	536,663	141,018	4,900	114,699
Accrued liabilities	1,626,068	18,456	-	6,838
Interest payable	-	-	1,028,759	-
Deferred revenue	41,260,914	33,973,002	41,528,707	33,446,012
Advances from other funds	9,144,570	7,789,839	6,989,843	7,016,442
Refundable deposits	919,833	367,896	667,896	128,000
Notes payable-LT interfund payable	5,294,326	3,876,516	3,876,516	3,876,516
Due to other governments	-	984,937	-	-
Total Liabilities	<u>\$ 58,782,374</u>	<u>\$ 47,151,664</u>	<u>\$ 54,096,621</u>	<u>\$ 44,588,507</u>
Equity	<u>16,052,165</u>	<u>(882,025)</u>	<u>18,406,106</u>	<u>8,004,013</u>
Total Liabilities + Equity	<u>\$ 74,834,539</u>	<u>\$ 46,269,640</u>	<u>\$ 72,502,727</u>	<u>\$ 52,592,520</u>
Total Revenues:	11,283,975	11,890,656	4,285,493	2,928,815
Total Expenditures:	(16,969,822)	(14,162,021)	(1,939,613)	(3,358,513)
Total Transfers:	(1,286,228)	(17,890,506)	(429,115)	4,050,957
Net change in equity	<u>\$ (6,972,075)</u>	<u>\$ (20,161,871)</u>	<u>\$ 1,916,765</u>	<u>\$ 3,621,259</u>
Beginning Equity:	22,404,778	16,052,165	(882,025)	- *
Ending Equity:	<u>\$ 16,052,165</u>	<u>\$ (882,025)</u>	<u>\$ 18,406,106</u>	<u>\$ 8,004,013</u>
Other Information (show year end balances for all four periods presented):				
Capital assets as of end of year(Fund 911)	\$ 19,602,999	\$ 19,224,855	\$ 19,004,504	\$ 18,847,111
Long-term debt as of end of year(Fund 921)	51,570,000	50,170,000	50,170,000	48,630,000

Notes:

* Beginning equity is zero because this was a new fund and did not have prior period ending equity.

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.

Result: Per review of the schedule above, 4A, it appears that the total of all revenues, expenditures and transfers account fully for changes in equity from the previous 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.

Result: As noted in the above schedule 4A, we traced the amounts in the schedule above to the June 30, 2010 state controllers report without exception.

- 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.

Result: As noted in the above Schedule 4A, for the twelve months ended June 30, 2011, we traced the amounts to the Redevelopment Agency audited financial statements for the fiscal year ended June 30, 2011 without exception. As noted in the above Schedule 4A, for the seven-month period ending January 31, 2012, we traced amounts to the City's accounting records without exception. As noted in the above Schedule 4A, we traced amounts to the City's accounting records for the Successor Agency for the five-month period ending June 30, 2012 without exception.

Citation:

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

(A) A statement of the total value of each fund as of June 30, 2012.

Suggested Procedure(s):

- Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Results: See Schedule below prepared by City staff. We agreed the balances of the following assets listed to the accounting records of the Successor Agency without exception.

	<u>Total</u>
Cash and investments	\$5,432,374
Cash and investments with fiscal agents	4,009,367
Accounts receivable, net	139,736
Loans receivable	33,446,014
Land held for resale	9,565,031
Land	5,277,955
Depreciable capital assets, net	13,569,156
Total Assets	<u><u>\$71,439,633</u></u>

Citation:

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.

Suggested Procedure(s):

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.

Results: Per inquiry of City staff, there were no unspent bond proceeds as of June 30, 2012.

- 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.

Results: Per inquiry of City staff, there were no grant proceeds that were restricted by a third party.

- 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.

Results: See Schedule below prepared by City staff. We traced individual components of this computation to the Successor Agency’s accounting records. We also traced these components to legal documents that set forth the restrictions pertaining to these balances.

6C Other Assets Considered to be Legally Restricted

Asset	Restrictions	Amount	Restricted Period of Time
Restricted Cash	Debt Reserve 2004 TAB Reserve	\$ 3,374,432	Until last debt service payment is made.
Restricted Cash	Debt Reserve 2006 TAB Reserve	634,935	Until last debt service payment is made.
		\$ 4,009,367	

- 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.

Results: See Schedule 6C above.

Citation:

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

Suggested Procedure(s):

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

Result: See Schedule below. Per City staff, the balances are listed at purchase costs.

	Non-liquid Assets of the Successor Agency on June 30, 2012
Loans receivable	\$33,446,014
Land held for resale	9,565,031
Land	5,277,955
Depreciable capital assets, net	13,569,156
	<u>\$61,858,156</u>

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.

Result: We traced the balances to the audited financial statements without exception.

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.

Results: Not applicable.

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

Results: Not applicable.

Citation:

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

Suggested Procedure(s):

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Results: Not applicable. Except for obligations listed under procedure #9, the City does not believe that additional assets 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 are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.

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

Results: Per inquiry of City staff, the Other Funds did not have any available assets as of June 30, 2012 to be retained for this purpose.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
 - i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Results: Per inquiry of City staff, the staff believes there are sufficient projected property tax revenues and other general purpose revenues to pay bond debt services 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 needs to be retained.
 - iii. Include the calculation in the AUP report.

Results: Not applicable, following results of procedures performed at 8.A, 8.B and 8.C above.

Citation:

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.

Suggested Procedure(s):

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.

Results: We obtained a listing that cash balances totaling \$7,338,068 are required to be retained by the Successor Agency to satisfy enforceable obligations on approved recognized obligation payment schedules for the period between July 1, 2012 through June 30, 2013, as detailed in Attachment A provided by the Successor Agency.

Citation:

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

Suggested Procedure(s):

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities (Attachment A). Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Results: See Attachment B. Per City staff the City was not required to make a payment to the County Auditor Controller on July 12, 2012 as directed by the California Department of Finance.

Suggested Procedure(s):

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.

Results: Management signed and provided the representation letter dated April 16, 2013 without exception.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the information provided for the purposes of the agreed-upon procedures and the Attachment. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we performed an audit of the information provided for the purposes of the agreed-upon procedures and the Attachment, matters might have come to our attention which would have been reported to you.

This report is intended for the information of management and the Oversight Board, the State Department of Finance and State Controller's Office; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.



April 16, 2013

Name of Redevelopment Agency: Hayward Successor Agency
 Project Area(s): All

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26/AB 1484 - Section 34169 for Period July - December 2012

Project Name / Debt Obligation	Payee	Description	Source of Funding	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month						Unrestricted Cash as of June 30, 2012 Needed to Satisfy Obligations	Explanation of Why Cash is Needed
						Jul	Aug	Sep	Oct	Nov	Dec		
1) 2004 Tax Allocation Bonds	Wells Fargo	Bond issue to fund non-housing projects	Real Property Tax Trust Fund (RPTTF)	3,388,861.50	921,690.75							921,690.75	See Note 3
1a) 2004 TAB Admin Fee FY2012	Wells Fargo	Annual administrative fee for bond issuance	TI Fund Balance	1,800.00	1,800.00							1,800.00	See Note 3
1b) 2004 TAB Admin Fee FY2013	Wells Fargo	Annual administrative fee for bond issuance	RPTTF	1,800.00								0.00	See Note 3
1c) 2004 TAB Admin Fee FY2012	Willdan	Annual administrative fee for bond issuance	TI Fund Balance	5,175.00	5,175.00							5,175.00	See Note 3
1d) 2004 TAB Admin Fee FY2013	Willdan	Annual administrative fee for bond issuance	RPTTF	5,715.00								0.00	See Note 3
2) 2008 Tax Allocation Bonds	Wells Fargo	Bond issue to fund non-housing projects	RPTTF	638,340.00	278,170.00							278,170.00	See Note 3
2a) 2008 TAB Admin Fee FY2012	Wells Fargo	Annual administrative fee for bond issuance	TI Fund Balance	2,000.00	2,000.00							2,000.00	See Note 3
2b) 2008 TAB Admin Fee FY2013	Wells Fargo	Annual administrative fee for bond issuance	RPTTF	2,000.00								0.00	See Note 3
2c) 2008 TAB Admin Fee FY2012	Willdan	Annual administrative fee for bond issuance	TI Fund Balance	1,120.00	1,120.00							1,120.00	See Note 3
2d) 2008 TAB Admin Fee FY2013	Willdan	Annual administrative fee for bond issuance	RPTTF	1,120.00								0.00	See Note 3
3) Hayward	City of Hayward	To fund start-up costs of Hayward Redevelopment Project Area	RPTTF	800,000.00								800,000.00	Denied by DDF
4) SERAF	Hayward Housing Authority	Loan for SERAF FY10 and FY11 payments	RPTTF	2,394,344.00								2,394,344.00	Denied by DDF
6) Contract for Restaurant Consulting	Five Star Restaurant	Matching loan funds for property owners along Foothill Blvd for facade improvement program	TI Fund Balance	14,287.50	3,787.50							3,787.50	See Note 3
8) Foothill Facade Loans	Multiple Property Owners		TI Fund Balance	1,108,000.00	369,333.00							369,333.00	See Note 3
9a) Foothill Facade Loan Project Delivery Costs (Staff Costs/Lease Fees)	Successor Agency	Project Delivery Costs to Implement Foothill Facade Loan Project	RPTTF	24,432.00	4,072.00							4,072.00	See Note 3
10) Employee Leave Liability	Employees of Agency	Leave balance payable/liability fund deposit for employee leave costs	RPTTF	48,175.00	48,175.00							48,175.00	See Note 3
11) PEERS Liability (Note 2)	Liability Fund	PEERS costs for Successor Agency	RPTTF	666,235.40	0.00							0.00	See Note 3
12) OFEB Liability (Note 2)	Liability Fund	Liability Fund deposit for Agency employees OFEB costs	RPTTF	177,227.20	0.00							0.00	See Note 3
13) Agency insurance costs	City of Hayward	Consultant to prepare specific plan for Agency insurance	RPTTF	54,042.00	4,503.50							4,503.50	See Note 3
14) Contract for Mission Blvd Specific Plan	Hill Amnara, Inc/Lampier Gregory	Contract for Mission Blvd Specific Plan	TI Fund Balance	213,648.44	15,201.00							15,201.00	See Note 3
22) Successor Agency Admin Allowance	City of Hayward	Per ABM 26, to cover administrative costs of Successor Agency	RPTTF	250,000.00	20,833.33							20,833.33	See Note 3
23) Contract for Security Services	ABC Security Services	Security Patrol Services for Cinema Place garage	RPTTF	68,000.00	5,666.67							5,666.67	See Note 3
24) Contract for Elevator Maint and Repair	ADT Security Services	Alarm Service for Cinema Place garage	RPTTF	2,100.00	175.00							175.00	See Note 3
25) Repair	Mitsubishi Electric	Cinema Place Elevator	RPTTF	7,000.00	583.33							583.33	See Note 3
26) Contract for Sweeping	Montgomery Sweeping Service	Cinema Place Garage Sweeping	RPTTF	12,000.00	1,000.00							1,000.00	See Note 3
27) Utilities	PG&E	Cinema Place Garage Utilities	RPTTF	28,000.00	2,333.33							2,333.33	See Note 3
42) Contract for Architecture & Planning	City of Hayward	Cinema Place Water Utilities	RPTTF	500.00	41.67							41.67	See Note 3
29) Contract for Env Remediation Work	City of Hayward	Burbank School Env Remediation Work	TI Fund Balance	6,504.54	6,504.54							6,504.54	See Note 3
30) Contract for Env Remediation Work	TRC	Burbank School Env Remediation Work	TI Fund Balance (\$1,882,825,728)	20,000.00	5,208.96							5,208.96	See Note 3
37) Contract for Env Remediation	TRC	Residual Burbank Site - Removal Action Work	RPTTF (\$255,728)	328,610.00	14,576.55							14,576.55	See Note 3
38) Residual Site	City of Hayward (Successor Agency)	Finalize negotiation and execution of project merit cost/legal fees	RPTTF	18,863.00	4,643.83							4,643.83	See Note 3
39) Property Disposition Costs - former Agency-held properties	City of Hayward (Successor Agency)	Property disposal costs, appraisal costs, other associated costs for property disposal	RPTTF	128,580.00	10,715.00							10,715.00	See Note 3
40) Contract for Env Remediation	AMEC Glenatix Inc	Env Remediation - Cinema Place	TI Fund Balance	10,715.00	10,715.00							10,715.00	See Note 3
41) Contract for Financial Analysis	Reger Mission	Water testing at Cinema Place - monitoring of site	TI Fund Balance	2,613.61	2,613.61							2,613.61	See Note 3
46) Contract for Water Testing	SVWRB	Water testing at Cinema Place - monitoring of site	TI Fund Balance	4,999.94	4,999.94							4,999.94	See Note 3
50) AB 1484 Audit Expenses	TBD	Audit required by AB 1484 of Low Mod Per Oversight Board request, funds to pay for outside legal counsel	TI Fund Balance	15,000.00	15,000.00							15,000.00	See Note 3
51) Oversight Board Legal Counsel	TBD		TI Fund Balance	50,000.00	5,000.00							5,000.00	See Note 3

Name of Successor Agency: Hayward Successor Agency
 County: Alameda

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					Unrestricted Cash as of June 30, 2012 Needed to Satisfy Obligations	Expiration of Obligations Needed
									LMHF	Bond Proceeds	Reserve Balance	RPTTF	Other		
1	2008 TBA Admin Fee FY2012	5/1/2014	5/1/2014	Wells Fargo	Bond issue to fund non-housing projects	Hayward Downtown	390,000.00	390,001.5				2,446,891	2,446,891	See Note 1	
1a)	2008 TBA Admin Fee FY2012	5/1/2014	5/1/2014	Wells Fargo	Annual administrative fee for bond issuance	Hayward Downtown	1,800.00	1,800.00				1,800	1,800	See Note 1	
1b)	2008 TBA Admin Fee FY2013	5/1/2014	5/1/2014	Wells Fargo	Annual administrative fee for bond issuance	Hayward Downtown	1,800.00	1,800.00				1,800	1,800	See Note 1	
1c)	2008 TBA Admin Fee FY2012	5/1/2014	5/1/2014	Wells Fargo	Annual administrative fee for bond issuance	Hayward Downtown	5,175.00	5,175.00				5,175	5,175	See Note 1	
1d)	2008 TBA Admin Fee FY2013	5/1/2014	5/1/2014	Wells Fargo	Annual administrative fee for bond issuance	Hayward Downtown	5,175.00	5,175.00				5,175	5,175	See Note 1	
2	2008 TBA Admin Fee FY2012	6/1/2016	6/1/2016	Wells Fargo	Bond issue to fund non-housing projects	Hayward Downtown	656,340.00	656,340.00				389,170.00	389,170.00	See Note 1	
2a)	2008 TBA Admin Fee FY2012	6/1/2016	6/1/2016	Wells Fargo	Annual administrative fee for bond issuance	Hayward Downtown	2,000.00	2,000.00				2,000	2,000	See Note 1	
2b)	2008 TBA Admin Fee FY2013	6/1/2016	6/1/2016	Wells Fargo	Annual administrative fee for bond issuance	Hayward Downtown	2,000.00	2,000.00				2,000	2,000	See Note 1	
2c)	2008 TBA Admin Fee FY2012	6/1/2016	6/1/2016	Wells Fargo	Annual administrative fee for bond issuance	Hayward Downtown	1,120.00	1,120.00				1,120	1,120	See Note 1	
2d)	2008 TBA Admin Fee FY2013	6/1/2016	6/1/2016	Wells Fargo	Annual administrative fee for bond issuance	Hayward Downtown	1,120.00	1,120.00				1,120	1,120	See Note 1	
3	Repayment Agreement with City of Hayward	9/24/1975	When paid off	City of Hayward	Annual administrative fee for bond issuance	Hayward Downtown	7,616,822.00	7,616,822.00				-	-	Demanded by DOF	
4	SEMAF	6/2/2011	When paid off	Hayward Housing Authority	Loan for SEMAF FY10 and FY11 payments	Hayward Downtown	14,287.50	3,787.50				-	-	Demanded by DOF	
5	Contract for Restaurant Consulting	10/17/2010	12/30/2011	Five Star Restaurant	One-on-one restaurant consulting/athletic	Hayward Downtown	1,108,000.00	1,108,000.00				-	-	Demanded by DOF	
6	Contract for Restaurant Consulting	3/6/2011	When property owner work is completed	Multiple Project Owners	Melting loan funds for property owners along Foothill Blvd for general improvement program	Hayward Downtown	1,108,000.00	1,108,000.00				-	-	Demanded by DOF	
7	Foothill Escalade Loans	N/A	N/A	Supervisor of Agency Liability	Contract for Escalade Loans	Hayward Downtown	24,432.00	24,432.00				24,432	24,432	See Note 1	
8	(State Credit Card Fees)	N/A	N/A	Supervisor of Agency Liability	Contract for Escalade Loans	Hayward Downtown	49,175.00	49,175.00				49,175	49,175	See Note 1	
9	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	666,235.40	666,235.40				666,235	666,235	See Note 1	
10	Employee Leave Liability	2/1/2012	N/A	City of Hayward	Employee Leave Liability	Hayward Downtown	666,235.40	666,235.40				666,235	666,235	See Note 1	
11	PERB Liability	2/1/2012	N/A	City of Hayward	PERB Liability	Hayward Downtown	1,171,221.20	1,171,221.20				1,171,221	1,171,221	See Note 1	
12	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
13	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
14	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
15	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
16	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
17	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
18	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
19	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
20	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
21	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
22	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
23	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
24	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
25	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
26	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
27	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
28	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
29	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
30	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
31	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
32	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
33	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
34	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
35	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
36	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
37	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
38	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
39	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
40	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
41	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
42	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
43	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
44	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
45	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
46	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
47	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
48	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
49	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
50	Contract for Security Alarm (See Notes page)	2/1/2012	N/A	City of Hayward	Contract for Security Alarm (See Notes page)	Hayward Downtown	54,042.00	54,042.00				-	-	Demanded by DOF	
51	Oversight Board Legal Counsel	N/A	N/A	TBD	Per Oversight Board request, funds to pay for outside legal counsel	Hayward Downtown	50,000.00	50,000.00				30,000	30,000	See Note 1	
52	City's Plan Maintenance Expense	7/1/2007	Until 2042	Blake Hill Ventures	Reimbursement of unpaid funds as allowed for annual maintenance expenses to holder of Citrus Phase ground lease	Hayward Downtown	92,132.00	92,132.00				-	-	Demanded by DOF	
53	City's Plan Maintenance Reserve P12	7/1/2007	Until 2042	City of Hayward (Successor)	Per requirements of Ground Lease, annual payment into capital maintenance reserve for Citrus Phase ping structure until 2042	Hayward Downtown	92,132.00	92,132.00				-	-	Demanded by DOF	
54	City's Plan Maintenance Reserve P13	7/1/2007	Until 2042	City of Hayward (Successor)	Per requirements of Ground Lease, annual payment into capital maintenance reserve for Citrus Phase ping structure until 2042	Hayward Downtown	92,132.00	92,132.00				-	-	Demanded by DOF	
Grand Total							\$ 63,159,707	\$ 7,164,311	\$ -	\$ 142,019	\$ 125,000	\$ -	\$ 4,344,416	\$ 4,344,416	

Note 1: The balance as of June 30, 2012 is inclusive of the RPTTF funds allocated to the Successor Agency to fund enforceable obligations for the ROPS III period (January to July 2013). Funds were allocated to the Successor Agency specifically for the purpose of funding the obligations listed on ROPS III and payable from RPTTF. Use of these funds for enforceable obligations is entirely consistent with the ROPS III as approved by the oversight board and DOF. The Successor Agency does not have any other source of funds for these obligations and many of the obligations have already been paid using funds available as of June 30, 2012.

Attachment B

**SUCCESSOR AGENCY TO THE HAYWARD REDEVELOPMENT AGENCY
SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES
(EXCLUDING LOW AND MODERATE INCOME HOUSING FUND)**

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$71,439,633
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)	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	(4,009,367)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(61,858,156)
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)	(7,338,068)
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	<u><u>(\$1,765,958)</u></u>

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