

**Successor Agency to the  
Community Redevelopment Agency of the City of Palmdale**

**Independent Accountants' Report on Applying  
Agreed-Upon Procedures pursuant to  
AB 1484 (All Other Funds)  
June 30, 2012**



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

Oversight Board of the  
Palmdale Redevelopment Successor Agency  
Palmdale, California

We have performed the Agreed-Upon Procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, the California Department of Finance, the County Auditor-Controller, and the Successor Agency to the Community Redevelopment Agency of the City of Palmdale (Successor Agency) to determine the Successor Agency's All Other Funds unobligated balances that are available for transfer to taxing entities, solely to assist you in ensuring that the Successor Agency is complying with its statutory requirements with respect to *Health and Safety Code* Section 34179.5. Management of the Successor Agency is responsible for the accounting records pertaining to 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 these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Attachment A, Exhibits B through B-6 and Exhibit C identify the procedures and results.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment A, Exhibits B through B-6 and Exhibit C. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency Oversight Board, the Successor Agency, the California State Controller's Office, the California Department of Finance, the County Auditor-Controller, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Vavrinek, Trine, Day & Co., LLP*

Rancho Cucamonga, California,  
March 21, 2013

**SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF PALMDALE  
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AGREED UPON PROCEDURES  
PURSUANT TO AB 1484**

Our procedures and findings are as follows:

**A. All Other Funds of the Successor Agency**

For the All Other Funds, the following procedures were performed:

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:** The Successor Agency provided narratives noting that actual transfers were not posted but that the fund names were changed for the applicable funds. The Successor Agency asserted that this provides documentation and the ability to monitor assets relating to the former redevelopment agency and the Successor Agency on February 1, 2012. We obtained the balances per each fund's trial balance as of January 31, 2012, noting the total assets were \$33,657,148.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures.
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Results:** The City asserted the State Controller's Office has not completed a review of transfers required under both *Health and Safety Code* (HSC) Sections 34167.5 and 34178.8. A listing of transfers for the period January 1, 2011 through January 31, 2012, is included as Exhibit B of the AUP report. The listing at Exhibit B includes management's description of the purpose of each transfer. We traced each transfer to supporting documentation, noting no exceptions. The Successor Agency has asserted that the transfer of these assets comply with both AB 1x26 and AB1484.

The Successor Agency also provided a listing of transfers made from the City of Palmdale (City) back to the Successor Agency during the period February 1, 2012 through June 30, 2012. This list is included as Exhibit B of the AUP report.

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The Successor Agency also asserted that no transfers were made 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.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Results:** The Successor Agency asserted the State Controller's Office has not completed a review of transfers required under both HSC Sections 34167.5 and 34178.8. The Successor Agency also asserted no transfers were made from the former redevelopment agency or the Successor Agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012 and the period February 1, 2012 through June 30, 2012, respectively.

4. Perform the following procedures:
  - A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
  - B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers 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.

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

**Results:** We obtained from the Successor Agency a summary of the financial transactions of the former RDA and the Successor Agency. See Exhibit C.

For each period presented, we footed total assets, liabilities, revenues, expenditures, other financing sources, net change in equity, beginning equity and ending equity, noting no exceptions.

We compared the amounts reported in the schedule for the fiscal year ended June 30, 2010 to the State Controller's Report filed for the former RDA, noting certain exceptions as described on Exhibit C.

We compared the fiscal year ended June 30, 2011 amounts reported in the schedule to the June 30, 2011 audited financial statements, noting no exceptions.

For the 7 months ended January 31, 2012, and the 5 months ended June 30, 2012, we compared amounts reported in the schedule to the former RDA's and Successor Agency's general ledger, for the same periods, noting no exceptions. See Exhibit C.

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

**Results:** We obtained from the Successor Agency, a listing of all assets, excluding the Low and Moderate Income Housing assets. We noted the total asset balance of the All Other Funds of the Successor Agency as of June 30, 2012 was \$41,547,441.65 and consisted of cash investments, accrued interest, land held for resale, deferred charges and capital assets. We traced the recorded balances to the accounting records of the Successor Agency, noting no exceptions. See Exhibit B-1. The assets presented at Exhibit B-1 are specific to the Successor Agency. Based on the presentation of debt disclosures in the June 2011 Financial Statement, the former redevelopment agency presented certain other assets which were actually attributable to Palmdale Civic Authority, a separate legal entity. Those assets are restricted by the reserve and trustee requirements of bonds issued by the Palmdale Civic Authority and as a result of the dissolution have been retained by the Palmdale Civic Authority.

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6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
  - A. Unspent bond proceeds:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
    - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
  - B. Grant proceeds and program income that are restricted by third parties:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
    - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
  - C. Other assets considered to be legally restricted:
    - i. 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 Obtain documentation).
    - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
  - D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

**Results:** As of June 30, 2012, the Successor Agency has classified assets totaling \$684,195.72 as restricted cash with fiscal agent and accrued interest. We traced these amounts to the Successor Agency's accounting records, including the general ledger and trustee statements, noting no exceptions. See listing of restricted assets at Exhibit B-2.

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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.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

**Results:** We obtained from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid totaling \$30,238,653.71. We noted the asset values are recorded at cost. We traced each asset to the general ledger, noting no exceptions. See Exhibit B-3 for the listing of Non-Liquid Assets of the Successor Agency as of June 30, 2012.

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 (ROPS) 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.

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- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - iii. Include the calculation in the AUP report.

**Results:** We obtained support for the balances reported in Exhibit B-4 such as the debt services schedules, noting no exceptions. We also obtained supporting language for the restrictions in the 1993 Loan agreement which is the original loan agreement that also applies to the 2003 First Supplement to Loan Agreement for the 2003 Tax Allocation Loan, and the 2009 Second Supplement to Loan Agreement for the 2009 Tax Allocation Loan, noting no exceptions.

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9. If the Successor Agency believes that cash balances as of June 30, 2012, need to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through June 30, 2013, 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 from the Successor Agency, a schedule listing dollar amounts of existing cash and cash equivalents needed to satisfy existing enforceable obligations. See Exhibit B-5. We traced the enforceable obligations listed on Exhibit B-5 to the Recognized Enforceable Obligation Payment Schedules for the six month periods July 1, 2012 through December 31, 2012 and January 1, 2013 through June 30, 2013, noting no exceptions. The Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation is described at Exhibit B-5. The Successor Agency required that additional enforceable obligations above and beyond the amount of existing cash and cash equivalents on hand be presented within this Exhibit to provide evidence of the cash shortfalls of the Successor Agency.

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

**Results:** We have included a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. See Exhibit B-6. The Successor Agency has asserted that no payments were made to the County Auditor-Controller on July 12, 2012.

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.

**Results:** The Successor Agency provided a management representation letter. No exceptions were noted.

Successor Agency to the Community Redevelopment Agency of the City of Palmdale  
 All Other Funds  
 Schedule of Asset Transfers to the City, County, or City and County, and Other Public Agencies or Private Parties

Exhibit B

DATE OF TRANSFER	DESCRIPTION OF ASSETS	RECIPIENT	\$ VALUE OF ASSETS TRANSFERRED	\$ VALUE OF ASSETS NOT SUPPORTED	PURPOSE OF TRANSFER	SOURCE DOC BASIS FOR TRANSFER
<i>Period of Jan 1, 2011 through Jan 31, 2012</i>						
3/10/2011	160040 NOTE RECEIVABLE-LARRY MAYLE (RALLY)	City of Palmdale	\$ 387,229.74		Enforce contractual obligation to forgive loan from Pre-AB1x26 Disposition & Development Agreement.	Agreement of Assignment
3/10/2011	160050 NOTE RECEIVABLE-HORTON (AV KAWASAKI)	City of Palmdale	332,477.00		Enforce contractual obligation to forgive loan from Pre-AB1x26 Disposition & Development Agreement.	Agreement of Assignment
3/10/2011	160070 NOTE RECEIVABLE-AV MALL LLC	City of Palmdale	4,583,333.35		Enforce contractual obligation to forgive loan from Pre-AB1x26 Disposition & Development Agreement.	Agreement of Assignment
3/10/2011	190050 PERMIT HELD FOR RESALE-POWER PLANT	City of Palmdale	4,742,393.08		Partial City assets were recorded on Redevelopment Agency books as Pre-AB1x26 expenditures were approved by the authority of redevelopment law. This is not a transfer of assets under the meaning of AB1x26.	Agreement of Assignment
3/11/2011	191080 LAND HELD FOR RESALE-LUSK	City of Palmdale	1,546,726.90		Facilitate the implementation of redevelopment projects	Grant Deed pursuant to Purchase Agmt
6/30/2011	190050 PERMIT HELD FOR RESALE-POWER PLANT	City of Palmdale	500,552.02		Partial City assets were recorded on Redevelopment Agency books as Pre-AB1x26 expenditures were approved by the authority of redevelopment law. This is not a transfer of assets under the meaning of AB1x26.	Agreement of Assignment
6/30/2011	190050 PERMIT HELD FOR RESALE-POWER PLANT	City of Palmdale	589,425.46		Partial City assets were recorded on Redevelopment Agency books as Pre-AB1x26 expenditures were approved by the authority of redevelopment law. This is not a transfer of assets under the meaning of AB1x26.	Agreement of Assignment
3/11/2011	191000 LAND HELD FOR RESALE-AUTO MALL	City of Palmdale	216,729.80		Facilitate the implementation of redevelopment projects	Grant Deed pursuant to Purchase Agmt
3/11/2011	191010 LAND HELD FOR RESALE-AUTO MALL	City of Palmdale	97,647.49		Facilitate the implementation of redevelopment projects	Grant Deed pursuant to Purchase Agmt
3/11/2011	191020 LAND HELD FOR RESALE-AUTO MALL	City of Palmdale	141,311.00		Facilitate the implementation of redevelopment projects	Grant Deed pursuant to Purchase Agmt
3/11/2011	191040 LAND HELD FOR RESALE-AUTO MALL	City of Palmdale	143,692.65		Facilitate the implementation of redevelopment projects	Grant Deed pursuant to Purchase Agmt
3/11/2011	191050 LAND HELD FOR RESALE-AUTO MALL	City of Palmdale	246,103.43		Facilitate the implementation of redevelopment projects	Grant Deed pursuant to Purchase Agmt
3/11/2011	191060 LAND HELD FOR RESALE-AUTO MALL	City of Palmdale	108,761.84		Facilitate the implementation of redevelopment projects	Grant Deed pursuant to Purchase Agmt
3/11/2011	191070 LAND HELD FOR RESALE-AUTO MALL	City of Palmdale	1,286,590.90		Facilitate the implementation of redevelopment projects	Grant Deed pursuant to Purchase Agmt
3/11/2011	191140 LAND HELD FOR RESALE-WARNACK FAIRWAY BUSINESS PARK	City of Palmdale	7,885,963.01		Facilitate the implementation of redevelopment projects	Grant Deed pursuant to Purchase Agmt
<i>Period of Feb 1, 2012 through June 30, 2012</i>						
6/30/2012	191080 LAND HELD FOR RESALE-LUSK	Successor Agency	(1,546,726.90)		Rescind previous transfer of properties	Resolution No. SA 2012-028 & Quitclaim Deed
6/30/2012	191000 LAND HELD FOR RESALE-3003002908	Successor Agency	(216,729.80)		Rescind previous transfer of properties	Resolution No. SA 2012-028 & Quitclaim Deed
6/30/2012	191010 LAND HELD FOR RESALE-3003002909	Successor Agency	(97,647.49)		Rescind previous transfer of properties	Resolution No. SA 2012-028 & Quitclaim Deed
6/30/2012	191020 LAND HELD FOR RESALE-3003002911	Successor Agency	(141,311.00)		Rescind previous transfer of properties	Resolution No. SA 2012-028 & Quitclaim Deed
6/30/2012	191040 LAND HELD FOR RESALE-3003002916	Successor Agency	(143,692.65)		Rescind previous transfer of properties	Resolution No. SA 2012-028 & Quitclaim Deed
6/30/2012	191050 LAND HELD FOR RESALE-3003002917	Successor Agency	(246,103.43)		Rescind previous transfer of properties	Resolution No. SA 2012-028 & Quitclaim Deed
6/30/2012	191060 LAND HELD FOR RESALE-3003002920	Successor Agency	(108,761.84)		Rescind previous transfer of properties	Resolution No. SA 2012-028 & Quitclaim Deed
6/30/2012	191070 LAND HELD FOR RESALE-GERMANO	Successor Agency	(1,286,590.90)		Rescind previous transfer of properties	Resolution No. SA 2012-028 & Quitclaim Deed
6/30/2012	191140 LAND HELD FOR RESALE-WARNACK FBP	Successor Agency	(7,885,963.01)		Rescind previous transfer of properties	Resolution No. SA 2012-028 & Quitclaim Deed
TOTAL			\$ 11,135,410.65	\$ -		

**Successor Agency to the Community Redevelopment Agency of the City of Palmdale**

**Exhibit B-1**

**All Other Funds - Listing of Assets**

**As of June 30, 2012 - Unaudited**

*Note: Excludes all assets held by the entity that assumed the housing function of the former RDA*

**Assets**

Cash and investments

560-101000	Cash - ROPS II Redevelopment Obligation Retirement Fund	10,624,087.54	
	<b>Total</b>	<u>10,624,087.54</u>	\$ 10,624,087.54

Interest receivable

460-146000	Accrued Interest - Pooled Cash	\$ 11.70	
460-146001	Accrued Interest - Certificate of Deposit	1.29	
460-146010	Accrued Interest - Federal Paper	33.62	
464-146000	Accrued Interest - Pooled Cash	2.16	
464-146001	Accrued Interest - Certificate of Deposit	0.24	
464-146010	Accrued Interest - Federal Paper	6.22	
462-146000	Accrued Interest - Pooled Cash	82.53	
462-146001	Accrued Interest - Certificate of Deposit	9.06	
462-146010	Accrued Interest - Federal Paper	237.13	
562-146000	Accrued Interest - Pooled Cash	30.31	
562-146001	Accrued Interest - Certificate of Deposit	3.33	
562-146010	Accrued Interest - Federal Paper	87.09	
	<b>Total</b>	<u>504.68</u>	\$ 504.68

Cash/investments w/ Fiscal Agent

562-120250	US Bank \$2.7M Tax Allocation Bond 9546-2470	0.73	
562-120260	US Bank \$2.7M Tax Allocation Bond 9546-2471	3.00	
562-120300	US Bank \$5.3M Tax Allocation Bond 9446-0700	684,180.70	
	<b>Total</b>	<u>684,184.43</u>	\$ 684,184.43

Accrued Interest Receivable w/ Fiscal Agent

562-146100	Accrued Interest - Trustee	11.29	
	<b>Total</b>	<u>11.29</u>	\$ 11.29

Other - Land Held for Resale

461-191000	Land Held for Resale - Auto Mall	216,729.80	
461-191010	Land Held for Resale - Auto Mall	97,647.49	
461-191020	Land Held for Resale - Auto Mall	141,311.00	
461-191040	Land Held for Resale - Auto Mall	143,692.65	
461-191050	Land Held for Resale - Auto Mall	246,103.43	
461-191060	Land Held for Resale - Auto Mall	108,761.84	
461-191070	Land Held for Resale - Auto Mall	1,286,590.90	
461-191140	Land Held for Resale - Warnack Fairway Business Park	7,885,963.01	
462-191080	Land Held for Resale - Lusk	1,546,726.90	
	<b>Total</b>	<u>11,673,527.02</u>	\$ 11,673,527.02

**Exhibit B-1 (Continued)**

## Other - Full Accrual Conversion Costs of Issuance Deferred Charges \*

901-180011	Costs of Issuance - Deferred Charges \$14.1M Tax Allocation Bond	\$	331,906.44
901-180012	Costs of Issuance - Deferred Charges \$2.8M Tax Allocation Bond		80,333.86
901-180040	Costs of Issuance - Deferred Charges \$5.3M Tax Allocation Bond		303,216.01
901-180050	Costs of Issuance - Deferred Charges \$18.5M Tax Allocation Bond		508,697.12
901-180060	Costs of Issuance - Deferred Charges \$6M Tax Allocation Bond		294,950.51
901-180070	Costs of Issuance - Deferred Charges \$5.9M Tax Allocation Bond		157,178.20
901-180080	Costs of Issuance - Deferred Charges \$7.2M Tax Allocation Bond		238,906.70
	<b>Total</b>		<u>\$ 1,915,188.84</u>

## Other - Capital Assets \*\*

920-192040	Land - Community Development		14,390,464.68
920-193040	Buildings & Structures - Community Development		438,152.00
920-197040	Accumulated Depreciation - Buildings & Structures		(165,797.20)
920-196300	Construction in Progress		1,987,118.37
	<b>Total</b>		<u>\$ 16,649,937.85</u>

**TOTAL ASSETS AT 6/30/2012: \$ 41,547,441.65**

\* Result of costs incurred to issue bonds required to be amortized over the life of the bonds. Not available for distribution.

\*\* Capital assets are non-liquid assets not available for distribution.

All Other Funds

Legally Restricted Amounts

ITEM	DESCRIPTION	ACCOUNT	AMOUNT	PURPOSE/DOC SOURCE/LEGAL DOCUMENT	PERIOD OF RESTRICTION
1	Unspent Bond Proceeds None noted.				
2	Grant proceeds and program income None noted.				
3	Other assets - Cash with Fiscal Agent				
	US Bank \$2.7M Tax Allocation Bond Debt Service Fund	562-120250	\$ 0.73	\$2.7M Tax Allocation Bond Debt Service / Indenture of Trust	Life of Bonds - The Bonds are secured by a first lien on and pledge of all revenues deposited. So long as any of the Bonds are outstanding, the revenues shall not be used for any other purpose.
	US Bank \$2.7M Tax Allocation Bond Interest Fund	562-120260	3.00	\$2.7M Tax Allocation Bond Debt Service / Indenture of Trust	Life of Bonds - The Bonds are secured by a first lien on and pledge of all revenues deposited. So long as any of the Bonds are outstanding, the revenues shall not be used for any other purpose.
	US Bank \$5.3M Tax Allocation Bond Reserve Fund	562-120300	684,180.70	\$5.3M Tax Allocation Bond Debt Service / Indenture of Trust	Life of Bonds - The Bonds are secured by a first lien on and pledge of all revenues deposited. So long as any of the Bonds are outstanding, the revenues shall not be used for any other purpose.
	Accrued Interest - Trustee	562-146100	11.29	Accrued Interest for Debt Service on Various Bonds / Indenture of Trust	Life of Bonds - The Bonds are secured by a first lien on and pledge of all revenues deposited. So long as any of the Bonds are outstanding, the revenues shall not be used for any other purpose.
	Total		<u>\$ 684,195.72</u>		

Successor Agency to the Community Redevelopment Agency of the City of Palmdale

All Other Funds

Exhibit B-3

Non Liquid Assets - All Other Funds

ITEM	DESCRIPTION	GL ACCT NO	AMOUNT	VALUE METHOD (COST OR MARKET)
<b>A</b>	Capital Assets			
a	Land	920-192040	\$ 14,390,464.68	Carried at Historical Cost
b	Construction in Progress	920-196300	1,987,118.37	Carried at Historical Cost
c	Buildings & Structures	920-193040 & 920-197040	272,354.80	Carried at Historical Cost
<b>B</b>	Land Held for Resale			
	Land Held for Resale - Auto Mall	461-191000	216,729.80	Currently Carried at Cost
	Land Held for Resale - Auto Mall	461-191010	97,647.49	Currently Carried at Cost
	Land Held for Resale - Auto Mall	461-191020	141,311.00	Currently Carried at Cost
	Land Held for Resale - Auto Mall	461-191040	143,692.65	Currently Carried at Cost
	Land Held for Resale - Auto Mall	461-191050	246,103.43	Currently Carried at Cost
	Land Held for Resale - Auto Mall	461-191060	108,761.84	Currently Carried at Cost
	Land Held for Resale - Auto Mall	461-191070	1,286,590.90	Currently Carried at Cost
	Land Held for Resale - Warnack Fairway Business Park	461-191140	7,885,963.01	Currently Carried at Cost
	Land Held for Resale - Lusk	462-191080	1,546,726.90	Currently Carried at Cost
<b>C</b>	Long Term Receivables (none noted)			
<b>D</b>	(List other non liquid assets as needed)			
	Costs of Issuance - Deferred Charges \$14.1M Tax Allocation Bond	901-180011	331,906.44	Balance of deferred charges at June 30
	Costs of Issuance - Deferred Charges \$2.8M Tax Allocation Bond	901-180012	80,333.86	Balance of deferred charges at June 30
	Costs of Issuance - Deferred Charges \$5.3M Tax Allocation Bond	901-180040	303,216.01	Balance of deferred charges at June 30
	Costs of Issuance - Deferred Charges \$18.5M Tax Allocation Bond	901-180050	508,697.12	Balance of deferred charges at June 30
	Costs of Issuance - Deferred Charges \$6M Tax Allocation Bond	901-180060	294,950.51	Balance of deferred charges at June 30
	Costs of Issuance - Deferred Charges \$5.9M Tax Allocation Bond	901-180070	157,178.20	Balance of deferred charges at June 30
	Costs of Issuance - Deferred Charges \$7.2M Tax Allocation Bond	901-180080	238,906.70	Balance of deferred charges at June 30
		Total	<u>\$ 30,238,653.71</u>	

ITEM	PROJECT NAME/DEBT OBLIGATION	ROPS LINE NO.	OBLIGATION AMOUNT AS APPROVED BY DOF	AMOUNT PAID IN PERIOD ENDING JUNE 30, 2012	AMOUNT FROM JUNE 30, 2012 BALANCE DEDICATED / RESTRICTED FOR FUNDING THE OBLIGATION	NATURE OF DEDICATION / RESTRICTION	LANGUAGE IN THE LEGAL DOC
<i>Note: Schedule should list only those assets that are dedicated or restricted for the funding of an enforceable obligation (example - funds have been received but enforceable obligation has not been paid)</i>							
1	2003 Tax Allocation Loan to Palmdale Civic Authority (\$19.2M)	ROPS I Pg 1, Line 10	\$ 1,171,018.75		\$ 1,171,018.75	Bond Covenants - Reserve for Debt Service	Agency shall deposit all Tax Increment Revenues in Bond Year until amounts on deposit equal trustee required amounts.
2	2009 Tax Allocation Loan to Palmdale Civic Authority (\$6.0M)	ROPS I Pg 1, Line 11	291,862.13		291,862.13	Bond Covenants - Reserve for Debt Service	Agency shall deposit all Tax Increment Revenues in Bond Year until amounts on deposit equal trustee required amounts.
3	1997 Tax Allocation Loan to Palmdale Civic Authority (\$10.8M)	ROPS I Pg 1, Line 14	857,239.38		857,239.38	Bond Covenants - Reserve for Debt Service	Agency shall deposit all Tax Increment Revenues in Bond Year until amounts on deposit equal trustee required amounts.
4	1998 Tax Allocation Bonds (\$30.6M)	ROPS I Pg 1, Line 15	1,971,250.00	\$ 665,625.00	1,305,625.00	Bond Covenants - Reserve for Debt Service	Agency shall deposit all Tax Increment Revenues in Bond Year until amounts on deposit equal trustee required amounts.
5	1994 Tax Allocation Loan to Palmdale Civic Authority (\$45M)	ROPS I Pg 1, Line 13	195,000.00		195,000.00	Bond Covenants - Reserve for Debt Service	Agency shall deposit all Tax Increment Revenues in Bond Year until amounts on deposit equal trustee required amounts.
6	1999 Tax Allocation Bonds (\$2.7M)	ROPS I Pg 1, Line 16	259,225.00	79,612.50	179,612.50	Bond Covenants - Reserve for Debt Service	Agency shall deposit all Tax Increment Revenues in Bond Year until amounts on deposit equal trustee required amounts.
7	2004 Tax Allocation Bonds (\$18.5M)	ROPS I Pg 1, Line 18	1,185,750.00	447,875.00	737,875.00	Bond Covenants - Reserve for Debt Service	Agency shall deposit all Tax Increment Revenues in Bond Year until amounts on deposit equal trustee required amounts.
8	2004 Tax Allocation Bonds (\$6.1M)	ROPS I Pg 1, Line 19	415,755.00	135,377.50	280,377.50	Bond Covenants - Reserve for Debt Service	Agency shall deposit all Tax Increment Revenues in Bond Year until amounts on deposit equal trustee required amounts.
			<b>\$ 6,347,100.26</b>	<b>\$ 1,328,490.00</b>	<b>\$ 5,018,610.26</b>		

Note: The Successor Agency is already reporting a substantial deficit cash balance as of June 30, 2012 and believes that a projection of obligations and revenues over future ROPS periods pursuant to Procedure 8.B. would further substantially increase the deficit already reported. The Successor Agency reserves the right to provide this additional information if deemed necessary to demonstrate insufficient future RPTTE.

Successor Agency to the Community Redevelopment Agency of the City of Palmdale  
 All Other Funds  
 June 30, 2012 Cash Balances Needed to Satisfy Obligations for the 2012/2013 FINAL ROPS

Exhibit B-5

ITEM	PROJECT NAME	ROPS LINE ITEM	EXISTING CASH		SUCCESSOR AGENCY EXPLANATION
			APPROVED OBLIGATION AMOUNT	NEEDED TO SATISFY OBLIGATION	
<i>Note: List only those obligations for which current balances are needed to satisfy obligations that will be placed on the ROPS for the 2012/13 fiscal year</i>					
1	2010 Tax Allocation Refi Notes (\$27.5M)	ROPS II Pg 1, Line 12	\$ 2,750,660.56	\$ 1,375,329.98	Required for Bond Debt Service in ROPS II Period
2	2003 Tax Allocation Bonds, Series C (\$5.9M)	ROPS II Pg 5, Line 1	376,360.00	373,516.25	Required for Bond Debt Service & Bond Covenant Reserve for Debt Service in ROPS II Period
3	2003 Tax Allocation Bonds, Series D (\$7.2M)	ROPS II Pg 5, Line 2	373,057.50	372,427.50	Required for Bond Debt Service & Bond Covenant Reserve for Debt Service in ROPS II Period
4	2005 Tax Allocation Bonds, Series E (\$14.1M)	ROPS II Pg 5, Line 3	983,791.26	972,541.26	Required for Bond Debt Service & Bond Covenant Reserve for Debt Service in ROPS II Period
5	2005 Tax Allocation Bonds, Series F (\$2.8M)	ROPS II Pg 5, Line 4	150,392.50	149,801.88	Required for Bond Debt Service & Bond Covenant Reserve for Debt Service in ROPS II Period
6	2003 Tax Allocation Loan to Palmdale Civic Authority (\$19.2M)	ROPS II Pg 1, Line 10	1,515,837.50	344,818.75	Required for Bond Debt Service in ROPS II Period
7	2009 Tax Allocation Loan to Palmdale Civic Authority (\$6.0M)	ROPS II Pg 1, Line 11	480,441.76	188,579.63	Required for Bond Debt Service in ROPS II Period
8	1997 Tax Allocation Loan to Palmdale Civic Authority (\$10.8M)	ROPS II Pg 1, Line 14	928,919.38	71,680.00	Required for Bond Debt Service in ROPS II Period
9	Cooperation Agreement	ROPS II Pg 3, Line 5	4,000,000.00	4,000,000.00	Payment Required by Operation of Law in ROPS II Period
10	Disposition & Development Agreement 3rd Implementation (A-0861)	ROPS II Pg 1, Line 20	128,543.50	41,663.29	Required for Debt Service in ROPS II Period
11	Arbitrage Calculation Reports	ROPS II Pg 1, Line 22	4,500.00	4,500.00	Required by Bond Covenants in ROPS II Period
12	Bond Administration Fees	ROPS II Pg 8, Line 1	6,600.00	6,600.00	Required by Bond Covenants in ROPS II Period
13	Bond Administration Fees	ROPS II Pg 8, Line 2	35,020.00	35,020.00	Required by Bond Covenants in ROPS II Period
14	Arbitrage Calculation Reports	ROPS II Pg 8, Line 3	5,000.00	5,000.00	Required by Bond Covenants in ROPS II Period
15	Arbitrage Calculation Reports	ROPS II Pg 8, Line 4	10,550.00	10,550.00	Required by Bond Covenants in ROPS II Period
16	Bond Disclosure Reports (A-0695)	ROPS II Pg 8, Line 5	2,875.00	2,875.00	Required by Bond Covenants in ROPS II Period
17	Bond Disclosure Reports (A-0695)	ROPS II Pg 8, Line 6	8,702.06	8,702.06	Required by Bond Covenants in ROPS II Period
18	Bond Administration Fees	ROPS II Pg 5, Line 5	3,300.00	3,300.00	Required by Bond Covenants in ROPS II Period
19	Bond Disclosure Reports (A-0695)	ROPS II Pg 5, Line 6	1,010.00	1,010.00	Required by Bond Covenants in ROPS II Period
20	Legal Services (A-3347)	ROPS II Pg 5, Line 14	119,271.73	119,271.73	Required for Approved Enforceable Obligation in ROPS II Period
21	Transit Village Project	ROPS II Pg 5, Line 13	784,830.00	784,830.00	Statutorily Required for Project Support in ROPS II Period
22	Legal Services (A-3347)	ROPS II Pg 5, Line 20	11,340.17	11,340.17	Required for Approved Enforceable Obligation in ROPS II Period
23	Geographic Info Systems	ROPS II Pg 5, Line 19	25,000.00	25,000.00	Required for Approved Enforceable Obligation in ROPS II Period
24	Mobile Home Program w/ Long Term Covenants	ROPS II Pg 6, Line 2	6,785.90	6,785.90	Required for Approved Enforceable Obligation in ROPS II Period
25	Mobile Home Program w/ Long Term Covenants	ROPS II Pg 6, Line 3	17,705.28	17,705.28	Required for Approved Enforceable Obligation in ROPS II Period
26	Mobile Home Program w/ Long Term Covenants	ROPS II Pg 6, Line 4	1,369.00	1,369.00	Required for Approved Enforceable Obligation in ROPS II Period
27	Mobile Home Program w/ Long Term Covenants	ROPS II Pg 6, Line 5	13,666.15	13,666.15	Required for Approved Enforceable Obligation in ROPS II Period
28	Mobile Home Program w/ Long Term Covenants	ROPS II Pg 6, Line 6	5,695.09	5,695.09	Required for Approved Enforceable Obligation in ROPS II Period
29	Mobile Home Program w/ Long Term Covenants	ROPS II Pg 6, Line 7	8,500.00	8,500.00	Required for Approved Enforceable Obligation in ROPS II Period
30	Neighborhood Improvement Program / Focus Neighborhood	ROPS II Pg 6, Line 8	25,200.00	25,200.00	Required for Approved Enforceable Obligation in ROPS II Period
31	Neighborhood Improvement Program / Focus Neighborhood 1-5	ROPS II Pg 6, Line 9	1,200.00	1,200.00	Required for Approved Enforceable Obligation in ROPS II Period
32	Focus Neighborhood Program (A-3556)	ROPS II Pg 6, Line 10	73,083.00	73,083.00	Required for Approved Enforceable Obligation in ROPS II Period
33	Focus Neighborhood Program	ROPS II Pg 6, Line 12	173,700.00	173,700.00	Statutorily Required for Project Support in ROPS II Period
34	Neighborhood House (A-0601)	ROPS II Pg 6, Line 13	5,000.42	5,000.42	Required for Approved Enforceable Obligation in ROPS II Period
35	In-Fill Housing Program (A-0601)	ROPS II Pg 6, Line 14	4,999.57	4,999.57	Required for Approved Enforceable Obligation in ROPS II Period
36	Focus Neighborhood Program (A-3604)	ROPS II Pg 6, Line 15	350.00	350.00	Required for Approved Enforceable Obligation in ROPS II Period
37	Focus Neighborhood Program	ROPS II Pg 6, Line 16	1,484.46	1,484.46	Required for Approved Enforceable Obligation in ROPS II Period
38	Focus Neighborhood Program	ROPS II Pg 6, Line 17	546.19	546.19	Required for Approved Enforceable Obligation in ROPS II Period
39	Focus Neighborhood Program	ROPS II Pg 6, Line 18	500.00	500.00	Required for Approved Enforceable Obligation in ROPS II Period
40	Focus Neighborhood Program	ROPS II Pg 6, Line 19	1,528.53	1,528.53	Required for Approved Enforceable Obligation in ROPS II Period
41	Focus Neighborhood Program	ROPS II Pg 6, Line 20	579.35	579.35	Required for Approved Enforceable Obligation in ROPS II Period
42	Focus Neighborhood Program	ROPS II Pg 6, Line 21	1,540.60	1,540.60	Required for Approved Enforceable Obligation in ROPS II Period
43	Mortgage Assistance Program	ROPS II Pg 7, Line 1	1,500.00	1,500.00	Required for Approved Enforceable Obligation in ROPS II Period
44	Single Family Rehab / Housing Programs	ROPS II Pg 7, Line 2	1,500.00	1,500.00	Required for Approved Enforceable Obligation in ROPS II Period
45	Mortgage Assistance Program	ROPS II Pg 7, Line 3	26,000.00	26,000.00	Required for Approved Enforceable Obligation in ROPS II Period
46	Tierra Subida Widening (PN482)	ROPS II Pg 7, Line 8	37,354.00	37,354.00	Required for Approved Enforceable Obligation in ROPS II Period
47	Rehab Program	ROPS II Pg 7, Line 11	1,500.00	1,500.00	Required for Approved Enforceable Obligation in ROPS II Period
48	Neighborhood Improvement Program Grant Program	ROPS II Pg 7, Line 12	4,000.00	4,000.00	Required for Approved Enforceable Obligation in ROPS II Period
49	Neighborhood Improvement Program/Focus Neighborhood 5 (30th St E)	ROPS II Pg 7, Line 13	200.00	200.00	Required for Approved Enforceable Obligation in ROPS II Period
50	1998 Tax Allocation Bonds (\$30.6M)	ROPS II Pg 1, Line 15	1,971,250.00	649,625.00	Bond Covenants - Reserve for Debt Service
51	1999 Tax Allocation Bonds (\$2.7M)	ROPS II Pg 1, Line 16	259,225.00	76,862.50	Bond Covenants - Reserve for Debt Service
52	2004 Tax Allocation Bonds (\$18.5M)	ROPS II Pg 1, Line 18	1,185,750.00	440,625.00	Bond Covenants - Reserve for Debt Service
53	2004 Tax Allocation Bonds (\$6.1M)	ROPS II Pg 1, Line 19	415,755.00	133,130.00	Bond Covenants - Reserve for Debt Service

ITEM	PROJECT NAME	ROPS LINE ITEM	EXISTING CASH		SUCCESSOR AGENCY EXPLANATION
			APPROVED OBLIGATION AMOUNT	NEEDED TO SATISFY OBLIGATION	
54	2003 Tax Allocation Loan to Palmdale Civic Authority (\$19.2M)	ROPS III Item # 9	\$ 1,189,819.00	\$ 1,189,819.00	Required for Bond Debt Service in ROPS III Period
55	2003 Tax Allocation Loan to Palmdale Civic Authority (\$19.2M)	ROPS III Item # 10	327,919.00	327,919.00	Bond Covenants - Reserve for Debt Service
56	2009 Tax Allocation Loan to Palmdale Civic Authority (\$6.0M)	ROPS III Item # 11	293,580.00	293,580.00	Required for Bond Debt Service in ROPS III Period
57	2009 Tax Allocation Loan to Palmdale Civic Authority (\$6.0M)	ROPS III Item # 12	185,133.00	185,133.00	Bond Covenants - Reserve for Debt Service
58	2010 Tax Allocation Refi Notes (\$27.5M)	ROPS III Item # 13	1,375,330.00	1,375,330.00	Required for Bond Debt Service in ROPS III Period
59	1994 Tax Allocation Loan to Palmdale Civic Authority (\$45M)	ROPS III Item # 16	205,000.00	205,000.00	Bond Covenants - Reserve for Debt Service
60	1997 Tax Allocation Loan to Palmdale Civic Authority (\$10.8M)	ROPS III Item # 17	876,680.00	876,680.00	Required for Bond Debt Service in ROPS III Period
61	1997 Tax Allocation Loan to Palmdale Civic Authority (\$10.8M)	ROPS III Item # 18	49,140.00	49,140.00	Bond Covenants - Reserve for Debt Service
62	1998 Tax Allocation Bonds (\$30.6M)	ROPS III Item # 20	1,324,625.00	1,324,625.00	Bond Covenants - Reserve for Debt Service
63	1999 Tax Allocation Bonds (\$2.7M)	ROPS III Item # 22	181,863.00	181,863.00	Bond Covenants - Reserve for Debt Service
64	2004 Tax Allocation Bonds (\$18.5M)	ROPS III Item # 26	740,625.00	740,625.00	Bond Covenants - Reserve for Debt Service
65	2004 Tax Allocation Bonds (\$6.1M)	ROPS III Item # 28	288,130.00	288,130.00	Bond Covenants - Reserve for Debt Service
66	Bond Administration Fees	ROPS III Item # 30	8,490.00	8,490.00	Required by Bond Covenants in ROPS III Period
67	Arbitrage Calculation Reports	ROPS III Item # 31	1,250.00	1,250.00	Required by Bond Covenants in ROPS III Period
68	Arbitrage Calculation Reports	ROPS III Item # 32	5,250.00	5,250.00	Required by Bond Covenants in ROPS III Period
69	Arbitrage Calculation Reports	ROPS III Item # 33	2,000.00	2,000.00	Required by Bond Covenants in ROPS III Period
70	Bond Disclosure Reports (A-0695)	ROPS III Item # 34	2,575.00	2,575.00	Required by Bond Covenants in ROPS III Period
71	Bond Disclosure Reports (A-0695)	ROPS III Item # 35	7,545.00	7,545.00	Required by Bond Covenants in ROPS III Period
72	Agency Financial Audit (A-2844)	ROPS III Item # 36	1,250.00	1,250.00	Required by Bond Covenants in ROPS III Period
73	Agency Financial Audit (A-2844)	ROPS III Item # 37	10,100.00	10,100.00	Required by Bond Covenants in ROPS III Period
74	Property Tax Consulting Svcs (A-3220) - Project Area 1	ROPS III Item # 38	1,375.00	1,375.00	Required by Bond Covenants in ROPS III Period
75	Property Tax Consulting Svcs (A-3220) - Merged Project Area	ROPS III Item # 39	11,125.00	11,125.00	Required by Bond Covenants in ROPS III Period
76	2003 Tax Allocation Bonds, Series C (\$5.9M)	ROPS III Item # 41	277,836.00	277,836.00	Bond Covenants - Reserve for Debt Service
77	2003 Tax Allocation Bonds, Series D (\$7.2M)	ROPS III Item # 43	200,899.00	200,899.00	Bond Covenants - Reserve for Debt Service
78	2005 Tax Allocation Bonds, Series E (\$14.1M)	ROPS III Item # 45	755,646.00	755,646.00	Bond Covenants - Reserve for Debt Service
79	2005 Tax Allocation Bonds, Series F (\$2.8M)	ROPS III Item # 47	92,106.00	92,106.00	Bond Covenants - Reserve for Debt Service
80	Bond Administration Fees	ROPS III Item # 48	3,300.00	3,300.00	Required by Bond Covenants in ROPS III Period
81	Bond Disclosure Reports (A-0695)	ROPS III Item # 49	3,080.00	3,080.00	Required by Bond Covenants in ROPS III Period
82	Disposition & Development Agreement 3rd Implementation (A-0861)	ROPS III Item # 50	42,500.00	42,500.00	Required for Debt Service in ROPS III Period
83	Agency Legal Services (A-3347) - Project Area 1	ROPS III Item # 55	12,500.00	12,500.00	Required for Approved Enforceable Obligation in ROPS III Period
84	Agency Legal Services (A-3347) - Merged Project Area	ROPS III Item # 56	120,150.00	120,150.00	Required for Approved Enforceable Obligation in ROPS III Period
85	Property Assessments	ROPS III Item # 59	19,020.00	19,020.00	Required for Approved Enforceable Obligation in ROPS III Period
86	Property Assessments	ROPS III Item # 60	12,000.00	12,000.00	Required for Approved Enforceable Obligation in ROPS III Period
87	Property Costs - Fencing	ROPS III Item # 61	863.00	863.00	Required for Approved Enforceable Obligation in ROPS III Period
88	Disposition & Development Agreement Transit Village Townhomes (A-1977)	ROPS III Item # 75	2,000,000.00	2,000,000.00	Required for Approved Enforceable Obligation in ROPS III Period
89	Disposition & Development Agreement Transit Village Townhomes (A-1977)	ROPS III Item # 76	65,000.00	65,000.00	Required for Approved Enforceable Obligation in ROPS III Period
90	Disposition & Development Agreement Transit Village Townhomes (A-1977)	ROPS III Item # 80	300,000.00	300,000.00	Required for Approved Enforceable Obligation in ROPS III Period
91	Focus Neighborhood Program (A-3556)	ROPS III Item # 95	33,748.00	33,748.00	Required for Approved Enforceable Obligation in ROPS III Period
92	Whispering Palms Judgment	ROPS III Item # 115	360,000.00	360,000.00	Required for Approved Enforceable Obligation in ROPS III Period
93	Legal Services (A-3347) - Whispering Palms	ROPS III Item # 116	40,000.00	40,000.00	Required for Approved Enforceable Obligation in ROPS III Period
94	Employee Costs	ROPS III Item # 117	262,345.00	262,345.00	Required for Approved Enforceable Obligation in ROPS III Period
95	Office Supplies	ROPS III Item # 122	1,390.00	1,390.00	Required for Approved Enforceable Obligation in ROPS III Period
96	Office Operating	ROPS III Item # 123	150.00	150.00	Required for Approved Enforceable Obligation in ROPS III Period
97	Office Utilities	ROPS III Item # 126	120.00	120.00	Required for Approved Enforceable Obligation in ROPS III Period
98	Office Utilities	ROPS III Item # 127	360.00	360.00	Required for Approved Enforceable Obligation in ROPS III Period
99	Office Utilities	ROPS III Item # 128	5,000.00	5,000.00	Required for Approved Enforceable Obligation in ROPS III Period
100	Oversight Board Costs	ROPS III Item # 132	500.00	500.00	Required for Approved Enforceable Obligation in ROPS III Period
101	Copier Lease	ROPS III Item # 133	2,090.00	2,090.00	Required for Approved Enforceable Obligation in ROPS III Period
102	Training	ROPS III Item # 134	500.00	500.00	Required for Approved Enforceable Obligation in ROPS III Period
103	Legal Advertising	ROPS III Item # 135	100.00	100.00	Required for Approved Enforceable Obligation in ROPS III Period
104	Office Equipment Repairs	ROPS III Item # 136	200.00	200.00	Required for Approved Enforceable Obligation in ROPS III Period
105	Postage	ROPS III Item # 138	520.00	520.00	Required for Approved Enforceable Obligation in ROPS III Period
106	Postage	ROPS III Item # 139	600.00	600.00	Required for Approved Enforceable Obligation in ROPS III Period
107	Office Rent	ROPS III Item # 143	12,260.00	12,260.00	Required for Approved Enforceable Obligation in ROPS III Period
108	Office Supplies	ROPS III Item # 146	100.00	100.00	Required for Approved Enforceable Obligation in ROPS III Period
109	Office Supplies	ROPS III Item # 147	2,000.00	2,000.00	Required for Approved Enforceable Obligation in ROPS III Period
110	Office Supplies	ROPS III Item # 148	500.00	500.00	Required for Approved Enforceable Obligation in ROPS III Period
111	Audit Services	ROPS III Item # 149	20,000.00	20,000.00	Required for Approved Enforceable Obligation in ROPS III Period
112	RPTTF Eligible Items without available funding from ROPS I	ROPS III Item # 152	631,073.00	631,073.00	Required for Approved Enforceable Obligation in ROPS III Period
Total 2012/13 ROPS			<u>\$ 29,320,730.46</u>	<u>\$ 22,991,347.54</u>	

**Successor Agency to the Community Redevelopment Agency of the City of Palmdale  
All Other Funds  
Summary of Balances Available for Allocation to Affected Taxing Entities**

**Exhibit B-6**

		<u>Reference:</u>
Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$ 41,547,441.65	Exhibit B-1
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)	0.00	Exhibit B
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	(684,195.72)	Exhibit B-2
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(30,238,653.71)	Exhibit B-3
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)	(5,018,610.26)	Exhibit B-4
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	(22,991,347.54)	Exhibit B-5
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	0.00	
	<hr/>	
Amount to be remitted to county for disbursement to taxing entities	<u>\$ (17,385,365.58)</u>	

Successor Agency to the Community Redevelopment Agency of the City of Palmdale  
All Other Funds  
Summary of the Financial Transactions

Exhibit C

	Redevelopment Agency 12 Months Ended 6/30/2010	FY 09-10 State Controller's Report	Variations to State Controller's Report	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
<b>Assets</b>						
Cash and Investments	\$ 18,226,212	\$ 18,226,212	\$ -	\$ 13,743,239	\$ 2,120,277	\$ 10,624,088
Accounts Receivable	1,400,038	1,400,038	-	1,551,177	500	-
Interest Receivable	370,834	370,834	-	17,954	-	505
Property Taxes Receivable	1,682,801	1,682,801	-	878,321	-	-
Due from Other Governmental Units	3,862,221	-	*	416,530	(137,967)	-
Advances Due from HA DS Shortfall	-	-	-	-	(7,476)	-
Loan Receivable: Housing Authority	17,445,000	-	+	16,820,000	-	-
Notes and Liens Receivable	18,656,758	-	*	(18,656,758)	-	-
Deposits and Prepays	176,806	-	*	3,455	-	-
Deferred Charges - Costs of Issuance	2,562,123	-	+	2,433,346	1,977,106	1,915,189
Land Held for Resale	14,532,616	14,532,616	-	-	11,673,527	11,673,527
Permit Held for Resale	4,742,393	-	*	(4,742,393)	-	-
Restricted Cash and Investments	12,200,770	12,200,770	-	5,078,592	632,545	684,184
Restricted Interest Receivable	1,205	1,205	-	1,181	26	11
Capital Assets: Land not being Depreciated	14,390,465	-	+	14,390,465	14,390,465	14,390,465
Capital Assets: CIP not being Depreciated	3,614,732	-	+	2,732,139	2,732,139	1,987,118
Capital Assets: Buildings & Structures Net of Accum Deprec.	289,881	-	+	(289,881)	281,118	272,355
Capital Assets: Machinery & Equipment Net of Accum Deprec.	2,076	-	+	(2,076)	-	-
Due from Debt Service Fund	-	14,122,812	-	-	-	-
Other Assets	-	27,438,178	*	27,438,178	-	-
Amount to be provided for Payment of Long-Term Debt	-	148,332,130	-	148,332,130	-	-
<b>Total Assets</b>	<b>\$ 114,156,931</b>	<b>\$ 238,307,596</b>	<b>\$ 124,150,665</b>	<b>\$ 58,349,593</b>	<b>\$ 33,657,148</b>	<b>\$ 41,547,442</b>
<b>Liabilities</b>						
Accounts Payable	\$ 1,046,139	\$ 1,046,139	\$ -	\$ 636,406	\$ 25,143	\$ 52,345
Accrued Salaries and Employee Benefits	51,339	51,339	-	52,202	186,812	25,574
Due to Bank - Overnight Sweep	717,759	-	**	631,084	-	-
Due to Other Governmental Units	5,620,348	-	**	6,376,063	18,521,898	17,780,333
Deposits	201,808	-	**	123,522	-	-
Accrued Interest Payable	2,609,965	-	++	2,417,110	2,255,648	2,330,417
Deferred Revenue	17,445,000	-	++	16,820,000	-	-
Noncurrent Liabilities Due Within 1 Year	4,135,045	-	--	4,710,351	71,100	4,870,982
Noncurrent Liabilities Due in More than 1 Year	141,612,924	-	--	137,229,647	138,140,918	135,026,918
Tax Allocation Bonds, Lease Revenue Bonds, All Other Debt	-	148,332,130	--	148,332,130	-	-
Due to Low/Moderate Income Housing Fund	-	14,122,812	--	14,122,812	-	-
Other Liabilities	-	6,936,899	**	6,936,899	-	-
<b>Total Liabilities</b>	<b>\$ 173,440,327</b>	<b>\$ 170,489,319</b>	<b>\$ (2,951,008)</b>	<b>\$ 168,996,385</b>	<b>\$ 159,201,519</b>	<b>\$ 160,086,569</b>
<b>Equity</b>	<b>(59,283,396)</b>	<b>67,818,277</b>	<b>127,101,673</b>	<b>(110,646,792)</b>	<b>(125,544,368)</b>	<b>(118,539,127)</b>
<b>Total Liabilities + Equity</b>	<b>\$ 114,156,931</b>	<b>\$ 238,307,596</b>	<b>\$ 124,150,665</b>	<b>\$ 58,349,593</b>	<b>\$ 33,657,151</b>	<b>\$ 41,547,442</b>
<b>Total Revenues:</b>	<b>\$ 54,744,949</b>	<b>\$ 54,634,452</b>	<b>\$ (110,497)</b>	<b>\$ 38,057,255</b>	<b>\$ 16,531,426</b>	<b>\$ 18,965,600</b>
<b>Total Expenditures:</b>	<b>\$ 59,913,460</b>	<b>\$ 65,497,489</b>	<b>\$ 5,584,029</b>	<b>\$ 89,420,651</b>	<b>\$ 14,071,110</b>	<b>\$ 137,504,727</b>
<b>Total Transfers:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 223,047</b>	<b>\$ -</b>
<b>Net change in equity</b>	<b>\$ (5,168,511)</b>	<b>\$ (10,863,037)</b>	<b>\$ (5,694,526)</b>	<b>\$ (51,363,396)</b>	<b>\$ 2,683,363</b>	<b>\$ (118,539,127)</b>
<b>Beginning Equity:</b>	<b>\$ (54,114,885)</b>	<b>\$ 78,681,314</b>	<b>\$ 132,796,199</b>	<b>\$ (59,283,396)</b>	<b>\$ (128,227,731)</b>	<b>\$ -</b>
<b>Ending Equity:</b>	<b>\$ (59,283,396)</b>	<b>\$ 67,818,277</b>	<b>\$ 127,101,673</b>	<b>\$ (110,646,792)</b>	<b>\$ (125,544,368)</b>	<b>\$ (118,539,127)</b>

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

Capital assets as of end of year are presented above  
Long-term debt as of end of year are presented above

\* These assets combined total the \$27,438,178 Other Assets on the 09-10 State Controller's Report.

+ These assets that comprise the variance of \$38,304,277 are full accrual conversion amounts listed on the financial statements, but not contained in the State Controller's Report.

- These Due To / Due From are governmental fund amounts listed on the State Controller's Report, but are eliminated through full accrual conversion on the financial statements.

\*\* These liabilities combined total \$6,539,915 of the Other Liabilities on the 09-10 State Controller's Report. The remaining \$396,984 of Other Liabilities consist of deferred revenue and accrued compensated absences

++ These liabilities are full accrual conversion amounts listed on the financial statements, but not in the State Controller's Report.

-- The variance in these long-term liabilities is \$2,584,159, which is due to full accrual conversion amounts for Deferred Losses on Refinancing and Deferred Issuance Premiums listed on the financial statements, but not in the State Controller's Report.