# County of San Luis Obispo

# Report on Applying Agreed-Upon-Procedures to the City of Pismo Beach Designated Local Authority Funds Other than the Low and Moderate Income Housing Fund

## In compliance with AB 1484 Due Diligence Requirements

**Gere W. Sibbach, CPA, Auditor-Controller**

**September 26, 2012**

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Oversight Board of the City of Pismo Beach, CA
Designated Local Authority

ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the required agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, Department of Finance, and the San Luis Obispo County Auditor-Controller, solely to assist you in complying with the statutory requirements with respect to AB 1484. The City of Pismo Beach Designated Local Authority and the San Luis Obispo County Auditor-Controller's Office are responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code section 34179.5(a). This agreed-upon procedures engagement was conducted using 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.

The scope of this engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A.

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 detailed in Attachment A. 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.

As a courtesy to the City of Pismo Beach Designated Local Authority, the Designated Local Authority's funds are kept in trust accounts in the County of San Luis Obispo's Treasury. We were thus able to obtain Designated Local Authority accounting records from the County's accounting system.

This report is intended solely for the information and use of the San Luis Obispo County Auditor-Controller, the City of Pismo Beach Designated Local Authority, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Gere W. Sibbach, CPA,
San Luis Obispo County Auditor-Controller
San Luis Obispo, California,
September 26, 2012

**Executive Summary City of Pismo Beach Designated Local Authority**
**Funds Other than the Low and Moderate Income Housing Fund**

The City of Pismo Beach (City) declined to be the successor agency for their former Redevelopment Agency (RDA) which consisted of the Five Cities Project Area. The City also declined to be the housing successor. Subsequently, Governor Brown appointed a three-member Designated Local Authority (DLA) to serve as the successor to the former RDA. The housing successor agency is yet to be determined.

The only assets remaining in the former RDA's funds other than the Low and Moderate Income Housing Fund at the time of dissolution on January 31, 2012 were $40,253 cash in the Capital Projects Fund. The Capital Projects Fund cash was transferred to the DLA.

The DLA believes that it will require $14,500 of the existing cash to pay for administrative obligations on the July 1, 2012 to December 31, 2012 Recognized Obligation Payment Schedule.

We calculated a balance of $27 from the funds other than the Low and Moderate Income Housing fund available to be disbursed to affected taxing entities.

## ATTACHMENT A
## AGREED-UPON PROCEDURES & RESULTS

◇ **AB 1484 §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.*

1. Obtain from the Designated Local Authority a listing of all assets that were transferred from the former redevelopment agency to the Designated Local Authority on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Designated Local Authority. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Designated Local Authority as of that date.

   **Results**: We prepared a listing of all assets that were transferred from the former redevelopment agency to the DLA based on documentation provided by the DLA. We determined:

   - $40,310 of assets consisting entirely of cash was transferred from the former RDA's funds to the DLA on June 5, 2012.

◇ **AB 1484 §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 that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

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 Designated Local Authority of transfers (excluding payments for goods and services) from the former redevelopment agency to the city that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Designated Local Authority should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Authority's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

   b. Obtain a listing prepared by the Designated Local Authority of transfers (excluding payments for goods and services) from the Designated Local

Authority to the city that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Designated Local Authority should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Authority'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 the 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**: We reviewed the financial statements and the expense details for the former RDA and the general ledger transactions for the DLA for the period January 1, 2011 through June 30, 2012 with the following results:

- We did not note any transfers of assets, cash or cash equivalents (excluding payments for goods and services) to the City of Pismo Beach (no attachment).

◇ **AB 1484 §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.*

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 Designated Local Authority 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 Designated Local Authority should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Authority's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

   b. Obtain a listing prepared by the Designated Local Authority of transfers (excluding payments for goods and services) from the Designated Local Authority to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Designated Local Authority should describe the purpose of the transfer

and describe in what sense the transfer was required by one of the Authority'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 the 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**: We reviewed the financial statements and the expense details for the former RDA and the general ledger transactions for the DLA for the period January 1, 2011 through June 30, 2012 with the following results:

- We did not note any transfers of assets, cash or cash equivalents (excluding payments for goods and services) to any other public agency or to private parties (no attachment).

◇ **AB 1484 §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.*

4. Perform the following procedures:

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

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

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

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

**Results**: We created a summary of the financial transactions of the former Redevelopment Agency and the Designated Local Authority based on the former RDA's financial statements and the trial balances for the DLA (Attachment B). We determined that for each period, the total of revenues, expenditures, and transfers accounted fully for the changes in equity from the previous period.

We also determined the amounts in the schedule relevant to the fiscal year ended June 30, 2010 agreed to the state controller's report filed for the RDA for the same period.

The former RDA provided financial statements audited by Terry E. Krieg, CPA for the fiscal years ended June 30, 2010, June 30, 2011, and for the period ended January 31, 2012.

The Designated Local Authority's accounting records for the period June 5 to June 30, 2012 were obtained from the County of San Luis Obispo accounting system.

◇ **AB 1484 §34179.5(c)(5)** *A separate accounting for the balance for the Low and Moderate Income Housing Fund and 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.*

5. Obtain from the Designated Local Authority 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 Designated Local Authority 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 Designated Local Authority 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 Designated Local Authority. The listings should be attached as an exhibit to the appropriate AUP report.

   **Results**: Based on the accounting records of the DLA we created a listing of all assets for the funds other than the Low and Moderate Income Housing Fund as of June 30, 2012:

   - The listing of assets contains the $187,381 of assets (cash) which is held by the DLA and reflected in the DLA's accounting records (Attachment C).

◇ **AB 1484 §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.*

6. Obtain from the Designated Local Authority a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

    a. Unspent bond proceeds:

        i. Obtain the Designated Local Authority's computation of the restricted balances (e.g. total proceeds less eligible project expenditures, amounts set aside for debt services 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 Designated Local Authority 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 Designated Local Authority as restricted.

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

        i. Obtain the Designated Local Authority'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 Designated Local Authority 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 Designated Local Authority as restricted.

    c. Other assets considered to be legally restricted:

i. Obtain the Designated Local Authority'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 Designated Local Authority 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 Designated Local Authority as restricted.

d. Attach the above mentioned Designated Local Authority 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**: The DLA stated and our review determined that there are no restricted asset balances in the funds other than the Low and Moderate Income Housing Fund (no attachment).

◇ **AB 1484 §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.*

7. Perform the following procedures:

a. Obtain from the Designated Local Authority 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 Designated Local Authority) or market value as recently estimated by the Designated Local Authority.

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 Designated Local Authority) 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 Designated Local Authority 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**: The DLA does not have any non-cash assets in the funds other than the Low and Moderate Income Housing Fund.

◇ **AB 1484 §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.*

8. Perform the following procedures:

a. If the Designated Local Authority believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Designated Local Authority 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 Designated Local Authority 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 Designated Local Authority. Identify in the report any listed balances for which the Designated Local Authority was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

b. If the Designated Local Authority 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 Designated Local Authority 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.

1. Obtain from the Designated Local Authority 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:

1. Obtain from the Designated Local Authority its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

c. If the Designated Local Authority believes that projected property tax revenues and other general purpose revenues to be received by the Designated Local Authority are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Designated Local Authority 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 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**: The DLA does not believe that asset balances need to be retained to satisfy enforceable obligations.

◇ **AB 1484 §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.*

9. If the Designated Local Authority 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, 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 Designated Local Authority should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Designated Local Authority's explanation as to why the Designated Local Authority believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

   **Results**: We obtained the July 1, 2012 through December 31, 2012 ROPS and identified $14,500 of obligations for which existing cash is needed to satisfy the obligation from funds other than the Low and Moderate Income Housing Fund. (Attachment D). The DLA believes the balances are needed to pay administrative costs authorized under ABX1 26.

   In our discussions with the DLA, we became aware of a potential liability that could require the use of current and future cash balances. The former RDA entered into an agreement with Lucia Mar Unified School District in September 1988. Under the agreement 100% tax increment was allocated to the RDA until the allocation totaled twelve million dollars or continued for twenty years. Lucia Mar subsequently pledged the agreed-upon tax increment repayment, which is a single tax rate area percentage of 37.39% of total tax increment annually, from the RDA toward Certificates of Participation issued by the school district. The DLA states that the Lucia Mar Unified School District believes that the pledged tax increment qualifies as an enforceable obligation; however, neither the former RDA nor the DLA has placed such an obligation on any Obligation Repayment Schedules to date.

◇ **AB 1484 §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 the paragraph, that amount shall be demonstrated in an additional itemized schedule.*

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**: A schedule detailing the computation of the Balance Available for Allocation Affected Taxing Entities for the funds other than the Low and Moderate Income Housing Fund of $27 is included as Attachment E. We also agreed the amount of the deduction to the County Auditor-Controller on July 12, 2012 listed in the schedule to evidence of payment.

### ◇ Representation Letter

11. Obtain a representation letter from the Designated Local Authority 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 acknowledgement that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Designated Local Authority 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**: We obtained a signed representation letter from the DLA acknowledging their responsibility for data provided to us and the data presented in the report and in any attachments to the report. The DLA also acknowledged that they are not aware of any transfers (as defined by Section 34179.5) from either the former RDA or the DLA 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.

**ATTACHMENT B**
**CITY OF PISMO BEACH DESIGNATED LOCAL AUTHORITY**
**SUMMARY OF FINANCIAL TRANSACTIONS**

| | Redevelopment Agency 12 Months Ended 6/30/2010 | Redevelopment Agency 12 Months Ended 6/30/2011 | Redevelopment Agency 7 Months Ended 1/31/2012 | Successor Agency 5 Months Ended 6/30/2012 |
|---|---|---|---|---|
| **Assets (modified accrual basis)** | | | | |
| Cash & Investments | $ 673,036 | 616,949 | $ 691,876 | $ 704,204 |
| Interest | 827 | 704 | - | - |
| Taxes | 1,728 | $ 7,115 | - | - |
| Prepayments | 495 | - | - | - |
| Notes Receivable - Long Term | - | - | 1,000,000 | - |
| **Total Assets** | $ 676,086 | $ 624,768 | $ 1,691,876 | $ 704,204 |
| **Liabilities (modified accrual basis)** | | | | |
| Accounts Payable | $ 78,169 | $ 23,486 | $ - | $ - |
| Deferred Revenue | $ - | $ - | $ 1,000,000 | $ - |
| **Total Liabilities** | $ - | $ - | $ 1,000,000 | $ - |
| **Equity** | 597,917 | 601,282 | 691,876 | 704,204 |
| **Total Liabilities + Equity** | $ 597,917 | $ 601,282 | $ 2,691,876 | $ 704,204 |
| **Total Revenues:** | $ 631,374 | $ 379,367 | $ 173,144 | $ 63,221 |
| **Total Expenditures:** | $ (2,007,200) | $ (376,002) | $ (82,550) | $ (48,501) |
| **Total Transfers:** | $ - | $ - | $ - | $ (2,998) |
| **Net change in equity** | $ (1,375,826) | $ 3,365 | $ 90,594 | $ 11,722 |
| **Beginning Equity:** | $ 1,973,743 | $ 597,917 | $ 601,282 | $ 692,482 * |
| **Ending Equity:** | $ 597,917 | $ 601,282 | $ 691,876 | $ 704,204 |
| **Other Information (show year end balances for all three years presented):** | | | | |
| **Capital assets as of end of year** | $ 1,015,241 | $ 1,015,241 | $ - | $ - |
| **Long-term debt as of end of year** | $ - | $ - | $ - | $ - |

*Equity beginning balance of $40,310 was transferred on June 5, 2012 from the City of Pismo Beach to the DLA; and equity beginning balance of $652,172 was transferred from the City of Pismo Beach to the County of San Luis Obispo for a combined total of $692,482. The increase of $606 from the ending balance on January 31, 2012 is primarily due to interest earned before the transfer of funds.

**ATTACHMENT C**
**CITY OF PISMO BEACH DESIGNATED LOCAL AUTHORITY**
**LISTING OF ASSETS**
**FUNDS OTHER THAN THE LOW & MODERATE INCOME HOUSING FUND**

| Asset | Amount |
|---|---|
| Cash | $187,381 |

**ATTACHMENT D**
**CITY OF PISMO BEACH DESIGNATED LOCAL AUTHORITY**
**JULY-DECEMBER 2012 RECOGNIZED OBLIGATION SCHEDULE**
**OBLIGATIONS REQUIRING THE USE OF EXISTING CASH**
**LOW AND MODERATE INCOME HOUSING FUND and OTHER FUNDS**

Name of Redevelopment Agency: Designated Local Authority Successor Agency for Pismo Beach Redevelopment Agency

Project Area(s) Five Cities Project Area

**FORM B - All Revenue Sources Other Than Redevelopment Property Tax Trust Fund (RPTTF)**

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE**
**Per AB 26 - Section 34177 (*)**

| | Project Name / Debt Obligation | Payee | Description | Project Area | Funding Source *** | Payable from Other Revenue Sources Payments by month Jul 2012 | Total | Amounts Required to Satisfy Obligation | Explanation |
|---|---|---|---|---|---|---|---|---|---|
| 1) | Pismo Beach Redevelopment Agency | City of Pismo Beach | Original Payee was San Luis Obispo County Auditor-Controller for Property Tax Administration Fees (Annual Sb 2557 Admin Fee) for 7/1/11 to 1/13/12. City paid County Auditor-Controller in April 2012 to avoid being delinquent on bill and requests reimbursement from RPTTF. | Five Cities Project Area | RPTTF | 18,925.96 | $ 18,925.96 | $ - | |
| 2) | Pismo Beach Redevelopment Agency | City of Pismo Beach | Original payee was Myers Nave law firm for legal fees incurred from 12/31/11 to 1/31/12 regarding the dissolution of the RDA. City paid law firm in Feb. 2012 to avoid being delinquent on bill and requests reimbursement from RPTTF. | Five Cities Project Area | RPTTF | 409.50 | $ 409.50 | $ - | |
| 3) | Pismo Beach Redevelopment Agency | City of Pismo Beach | City of Pismo Beach to conduct Audit for 7/1/11 to 1/31/12. | Five Cities Project Area | RPTTF | 2,500.00 | $ 2,500.00 | $ - | |
| 4) | Pismo Beach Redevelopment Agency | City of Pismo Beach | Administrative Support Services for April and June 2012 per the RDA and City Cooperative Agreement Payment Schedule. | Five Cities Project Area | RPTTF | 26,666.00 | $ 26,666.00 | $ - | |
| 5) | Pismo Beach Redevelopment Agency | Designated Local Authority | Legal Fees | Five Cities Project Area | RPTTF | 7,500.00 | $ 7,500.00 | $ 7,500.00 | Administrative costs authorized under ABX1 26 |
| 6) | Pismo Beach Redevelopment Agency | Designated Local Authority | Insurance Costs | Five Cities Project Area | RPTTF | 5,000.00 | $ 5,000.00 | $ 5,000.00 | |
| 7) | Pismo Beach Redevelopment Agency | Designated Local Authority | Other administrative costs | Five Cities Project Area | RPTTF | 500.00 | $ 500.00 | $ 500.00 | |
| 8) | Pismo Beach Redevelopment Agency | Designated Local Authority | Oversight Board | Five Cities Project Area | RPTTF | 1,500.00 | $ 1,500.00 | $ 1,500.00 | |
| | Totals - LMIHF | | | | | $ 63,001.46 | $63,001.46 | $ 14,500.00 | |
| | Totals - Bond Proceeds | | | | | $ - | $0.00 | $ - | |
| | Totals - Other | | | | | | $0.00 | $ - | |
| | Grand total - This Page | | | | | $ 63,001.46 | $ 63,001.46 | $ 14,500.00 | |

*** The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.**
**** All total due during fiscal year and payment amounts are projected.**
***** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)**
**RPTTF - Redevelopment Property Tax Trust Fund** **Bonds - Bond proceeds** **Other - reserves, rents, interest earnings, etc**
**LMIHF - Low and Moderate Income Housing Fund** **Admin - Successor Agency Administrative Allowance**
****** Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of From A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.**

# ATTACHMENT E
# CITY OF PISMO BEACH DESIGNATED LOCAL AUTHORITY
# OTHER FUNDS

## SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

| | | |
|---|---|---|
| Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5) | $ | 187,381 |
| 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) | | - |
| Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7) | | - |
| 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) | | (14,500) |
| Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance | | (172,854) |
| Amount to be remitted to county for disbursement to taxing entities | $ | 27 |

*Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.*

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.