

CITY OF SAN JOSE

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES ON THE
LOW AND MODERATE INCOME HOUSING FUND OF THE
FORMER REDEVELOPMENT AGENCY OF THE
CITY OF SAN JOSE, CALIFORNIA**

**PURSUANT TO AB 1484 AND AS DESCRIBED IN SECTION 34179.5
TO THE CALIFORNIA HEALTH AND SAFETY CODE**

December 7, 2012

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

To the Successor Agency to the Redevelopment Agency
of the City of San Jose, California

We have performed the procedures enumerated in Attachment A to the Low and Moderate Income Housing Fund of the former San Jose Redevelopment Agency (the "Agency"), which were agreed to by the City of San Jose, California (the "City"), as Successor Agency to the Agency (the "Successor Agency"), the California State Controller's Office, and the California State Department of Finance (collectively referred to as the "Specified Parties"), solely to assist the Specified Parties in determining the balance available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Fund of the former Agency, as prescribed in Section 34179.5 of the California Health and Safety Code. 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 which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures applied to the Low and Moderate Income Housing Fund of the Agency and the Successor Agency as set forth in Attachment A, which also identifies the findings noted as a result of the procedure performed.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the balance available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Fund of the former Agency or as to the appropriateness of the other financial information summarized in Attachments A, B, C, D and E. 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.

The report is intended solely for the information and use of the Successor Agency, the California State Controller's Office and the California State Department of Finance; 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 the distribution of this report, which is a matter of public record.

Burr Pilger Mayer, Inc.

San Jose, California
December 7, 2012

**CITY OF SAN JOSE, SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUND**

The agreed-upon procedures, as it related to the Low and Moderate Income Housing Fund of the former San Jose Redevelopment Agency (the “Agency”) and the City of San Jose, California (the “City”) as Successor Agency to the Agency (the “Successor Agency”), and findings are as follows:

Citation:

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

Suggested Procedure(s):

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the agreed-upon procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Result: We obtained from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency’s Low and Moderate Housing Fund to the Successor Agency. We agreed the amount on the listing to the account balance established in the accounting records of the Successor Agency noting the total balance of all assets transferred to the Successor Agency in June 2012 was \$5,477,214, and consisted solely of cash.

**CITY OF SAN JOSE, SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
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Citation:

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

Suggested Procedure(s):

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

Result: The Successor Agency asserted that the State Controller's Office has not completed a review of transfers required under both Section 34167.5 and 34178.8. During the period of January 1, 2011 through January 31, 2012, the former redevelopment agency's Low and Moderate Income Housing Fund transferred program income in the amount of \$10,155,043 to the City of San Jose. The transfer of this income from the Low and Moderate Income Housing Fund has been questioned in the County of Santa Clara Auditor-Controller's Office Report of the Redevelopment Agency of the City of San Jose dated October 5, 2012, and submitted to the California Department of Finance, pursuant to AB X126. However, the City of San Jose contends that because they are program income and not tax increment, fall under the definition of an asset as clarified in AB 1484.

**CITY OF SAN JOSE, SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUND**

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On February 1, 2012, the former redevelopment agency transferred the Low and Moderate Income Housing assets to the City of San Jose in accordance with HSC 34176(a)(1). The total assets that were transferred from the former redevelopment agency’s Low and Moderate Income Housing Fund to the City of San Jose (acting as the Successor Housing Agency) was \$360,674,267. A detailed listing of certain transfers for the period February 1, 2012 through June 30, 2012 is included as Attachment B of the AUP report.

Cash	\$ 8,779,302
Accrued interest	1,345,355
Due from other agencies	50,906
Accounts receivable – other	280
Advances to other funds*	67,254,728
Prepaid expenses*	726,214
Loans receivable	566,736,607
Loans receivable - allowance	(304,990,128)
Other current assets	20,771,003
Total assets transferred	<u><u>\$ 360,674,267</u></u>

* The County Auditor-Controller’s Office Report of the Redevelopment Agency of the City of San Jose Pursuant to ABX1 26 dated October 5, 2012 questioned a portion of the \$67 million loan from the Low and Moderate Income Housing Fund to the former redevelopment agency to make the SERAF payment to the State of California. Fifty-four million is now the subject of a Meet and Confer with the State Department of Finance. Additionally, the County Auditor Controller questioned \$726,214 of prepaid retirement expenses in the aforementioned report, which have been refunded to the Successor Agency of the City of San Jose on October 31, 2012.

**CITY OF SAN JOSE, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUND**

Citation:

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

Suggested Procedure(s):

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or 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 the 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.

Result: The Successor Agency asserted that the State Controller's Office has not completed a review of transfers required under both Sections 34167.5 and 34178.8. The Successor Agency also asserted no transfers were made from the former redevelopment agency's Low and Moderate Income Housing Fund 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 for the period February 1, 2012 through June 30, 2012, respectively.

**CITY OF SAN JOSE, SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUND**

Citation:

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

Suggested Procedure(s):

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in 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.

Result: The procedures required by Section 34179.5(c)(4) pertains to the Successor Agency as a whole, these procedures will be addressed in the non-housing due diligence report that is due on December 15, 2012.

**CITY OF SAN JOSE, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUND**

Citation:

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

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

Suggested Procedure(s):

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.

Result: We obtained from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 and agreed the assets listed to the recorded balances reflected in the accounting record of the Successor Agency. The Successor Agency reported cash of \$4,347,529 at June 30, 2012.

**CITY OF SAN JOSE, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUND**

Citation:

34179.5(c)(5)(B): An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

Suggested Procedure(s):

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

A. Unspent bond proceeds:

- i. Obtain the Successor Agency’s computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Result: The Successor Agency did not have any unspent bond proceeds as of June 30, 2012.

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

- i. Obtain the Successor Agency’s computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Result: The Successor Agency did not have any grant proceeds or program income as of June 30, 2012.

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C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency’s computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

Result: The Successor Agency did not have any other assets considered to be legally restricted as of June 30, 2012.

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.

Result: This procedure is not applicable as there are no amounts to report as a result of the procedures above.

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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUND**

Citation:

34179(c)(5)(C): An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

Suggested Procedure(s):

7. Perform the following procedures:

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

Result: We noted the Successor Agency did not report asset balances that were not liquid or otherwise available for distribution as of June 30, 2012.

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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUND**

Citation:

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

Suggested Procedure(s):

8. Perform the following procedures:

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

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- 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.

Result: The Successor Agency asserted that asset balances as of June 30, 2012 do not need to be retained to satisfy enforceable obligations of the Low and Moderate Income Housing Fund as outlined under Procedure 8. As such, the procedures noted above were not performed. However, see results of Procedure 9.

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Citation:

34179.5(c)(5)(E): An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

Suggested Procedure(s):

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

Result: The Successor Agency asserted that \$4,348,000 of the Low and Moderate Income Housing Fund cash balances needs to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through June 30, 2013. See Attachment C for additional details.

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Citation:

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

Suggested Procedure(s):

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. 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).

Result: We have included a schedule detailing the computation of the Summary of Balances Available for Allocation to Affected Taxing Entities. See Attachment D for the calculation.

Suggested Procedure(s):

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

Result: We have obtained management's written representation acknowledging their responsibility as outlined in the procedure above.

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
Cash	Note A	6/5/2012	\$ 8,779,302 *	Note B
Accrued interest	Note A	2/1/2012	1,345,355	Note B
Due from other agencies	Note A	2/1/2012	50,906	Note B
Accounts receivable	Note A	2/1/2012	280	Note B
Advances to other funds	Note A	2/1/2012	67,254,728 *	Note B
Prepaid expenses	Note A	2/1/2012	726,214	Note B
Other current assets:				
Land - APNs 455-31-053,55	Note A	2/1/2012	8,560,557	Note B
Land - APNs 455-31-053,55	Note A	2/1/2012	1,580,000	Note B
Land - APN 678-53-004	Note A	2/1/2012	7,008,525	Note B
Land - APN 694-02-002	Note A	2/1/2012	2,371,921	Note B
Land - 937 Locust St, San Jose	Note A	2/1/2012	1,000,000	Note B
Land - 1072 & 1082 Vermont St, San Jose	Note A	2/1/2012	<u>250,000</u>	Note B
Total other current assets			20,771,003	
Loans receivable:				
Poco Way Associates	Note A	2/1/2012	5,594,026	Note B
Housing Developer Loans:				
24	Note A	2/1/2012	954,659	Note B
34 A	Note A	2/1/2012	782,022	Note B
43	Note A	2/1/2012	860,000	Note B
45	Note A	2/1/2012	447,150	Note B
53	Note A	2/1/2012	140,000	Note B
55	Note A	2/1/2012	933,681	Note B
58	Note A	2/1/2012	2,561,491	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
60 A	Note A	2/1/2012	125,000	Note B
60 B	Note A	2/1/2012	122,533	Note B
61	Note A	2/1/2012	114,994	Note B
66	Note A	2/1/2012	1,197,377	Note B
67	Note A	2/1/2012	2,786,010	Note B
67	Note A	2/1/2012	888,268	Note B
69	Note A	2/1/2012	1,387,202	Note B
78 A	Note A	2/1/2012	10,172,604	Note B
83	Note A	2/1/2012	1,393,231	Note B
84	Note A	2/1/2012	2,250,000	Note B
85	Note A	2/1/2012	994,496	Note B
86	Note A	2/1/2012	531,756	Note B
88	Note A	2/1/2012	1,163,891	Note B
89	Note A	2/1/2012	197,799	Note B
90	Note A	2/1/2012	691,875	Note B
94	Note A	2/1/2012	1,403,578	Note B
95	Note A	2/1/2012	7,020,386	Note B
97	Note A	2/1/2012	702,134	Note B
99 A	Note A	2/1/2012	6,339,260	Note B
101 A	Note A	2/1/2012	350,122	Note B
102 A	Note A	2/1/2012	344,226	Note B
102 B	Note A	2/1/2012	315,368	Note B
102 C	Note A	2/1/2012	338,110	Note B
103	Note A	2/1/2012	3,118,080	Note B
105 A	Note A	2/1/2012	1,677,501	Note B
105 B	Note A	2/1/2012	972,500	Note B
105 C	Note A	2/1/2012	124,418	Note B
107 A	Note A	2/1/2012	452,002	Note B
108 A	Note A	2/1/2012	1,558,420	Note B
111	Note A	2/1/2012	225,603	Note B
112	Note A	2/1/2012	700,000	Note B
113	Note A	2/1/2012	2,613,381	Note B
114 B	Note A	2/1/2012	4,298,789	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
114 C	Note A	2/1/2012	4,863,926	Note B
115	Note A	2/1/2012	1,488,125	Note B
118	Note A	2/1/2012	949,621	Note B
119	Note A	2/1/2012	3,739,689	Note B
120	Note A	2/1/2012	700,000	Note B
121	Note A	2/1/2012	724,600	Note B
125	Note A	2/1/2012	2,232,729	Note B
126	Note A	2/1/2012	5,480,000	Note B
127	Note A	2/1/2012	2,127,746	Note B
128	Note A	2/1/2012	4,134,900	Note B
131	Note A	2/1/2012	787,236	Note B
132	Note A	2/1/2012	3,489,662	Note B
133	Note A	2/1/2012	373,000	Note B
134	Note A	2/1/2012	3,223,004	Note B
134A	Note A	2/1/2012	4,671,584	Note B
134B	Note A	2/1/2012	4,364,525	Note B
135	Note A	2/1/2012	237,300	Note B
136	Note A	2/1/2012	624,709	Note B
137	Note A	2/1/2012	5,916,366	Note B
138	Note A	2/1/2012	2,741,477	Note B
138	Note A	2/1/2012	2,250,016	Note B
141	Note A	2/1/2012	3,070,499	Note B
142	Note A	2/1/2012	920,567	Note B
143 A	Note A	2/1/2012	5,092,000	Note B
143 B	Note A	2/1/2012	5,986,000	Note B
144	Note A	2/1/2012	5,199,253	Note B
145	Note A	2/1/2012	1,717,500	Note B
2003 A	Note A	2/1/2012	1,510,000	Note B
2003 B	Note A	2/1/2012	2,441,827	Note B
2004	Note A	2/1/2012	4,900,000	Note B
2005 A	Note A	2/1/2012	3,167,502	Note B
2005 B	Note A	2/1/2012	1,554,135	Note B
2006	Note A	2/1/2012	2,536,458	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
2007	Note A	2/1/2012	7,396,802	Note B
2008	Note A	2/1/2012	4,790,000	Note B
2010	Note A	2/1/2012	6,979,530	Note B
2011	Note A	2/1/2012	3,210,000	Note B
2012	Note A	2/1/2012	3,450,000	Note B
21012	Note A	2/1/2012	5,907,980	Note B
21013	Note A	2/1/2012	6,358,509	Note B
2014	Note A	2/1/2012	1,800,000	Note B
2002	Note A	2/1/2012	2,592,783	Note B
21001	Note A	2/1/2012	5,500,000	Note B
21002	Note A	2/1/2012	4,214,059	Note B
21003	Note A	2/1/2012	4,571,202	Note B
21006	Note A	2/1/2012	3,947,077	Note B
21007	Note A	2/1/2012	2,758,697	Note B
21008	Note A	2/1/2012	5,327,838	Note B
21009	Note A	2/1/2012	4,703,000	Note B
21010 A	Note A	2/1/2012	1,910,823	Note B
21010 B	Note A	2/1/2012	1,882,653	Note B
22004	Note A	2/1/2012	10,649,302	Note B
22005	Note A	2/1/2012	16,232,773	Note B
22006	Note A	2/1/2012	12,966,246	Note B
22007 A	Note A	2/1/2012	7,362,877	Note B
22007 B	Note A	2/1/2012	185,912	Note B
22008	Note A	2/1/2012	2,948,000	Note B
22009	Note A	2/1/2012	2,429,900	Note B
27001 A	Note A	2/1/2012	307,056	Note B
27001 B	Note A	2/1/2012	3,915,125	Note B
23002	Note A	2/1/2012	2,973,834	Note B
23003 A	Note A	2/1/2012	4,851,747	Note B
23003 B	Note A	2/1/2012	6,074,671	Note B
23004A	Note A	2/1/2012	12,578,250	Note B
23004B	Note A	2/1/2012	14,043,923	Note B
23005A	Note A	2/1/2012	3,593,163	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
23005B	Note A	2/1/2012	400,000	Note B
23007	Note A	2/1/2012	369,249	Note B
24001	Note A	2/1/2012	3,325,000	Note B
24002	Note A	2/1/2012	7,003,593	Note B
24002 A	Note A	2/1/2012	161,836	Note B
24003	Note A	2/1/2012	10,540,000	Note B
24004	Note A	2/1/2012	4,265,000	Note B
24005	Note A	2/1/2012	3,757,000	Note B
24006	Note A	2/1/2012	2,670,000	Note B
25001	Note A	2/1/2012	2,900,000	Note B
25002	Note A	2/1/2012	2,771,852	Note B
25003A	Note A	2/1/2012	6,932,630	Note B
25003B	Note A	2/1/2012	5,939,550	Note B
25005	Note A	2/1/2012	25,000	Note B
26001	Note A	2/1/2012	16,028,292	Note B
26002	Note A	2/1/2012	2,441,072	Note B
26003	Note A	2/1/2012	2,951,000	Note B
27002	Note A	2/1/2012	9,501,778	Note B
27003	Note A	2/1/2012	1,170,074	Note B
28001	Note A	2/1/2012	8,541,092	Note B
28002	Note A	2/1/2012	800,575	Note B
28003	Note A	2/1/2012	4,631,374	Note B
28004	Note A	2/1/2012	403,428	Note B
28005	Note A	2/1/2012	13,775,000	Note B
28006	Note A	2/1/2012	3,158,811	Note B
28009A	Note A	2/1/2012	15,853,810	Note B
28009B	Note A	2/1/2012	500,000	Note B
28009C	Note A	2/1/2012	422,314	Note B
29001	Note A	2/1/2012	7,680,126	Note B
29002	Note A	2/1/2012	6,480,806	Note B
29003	Note A	2/1/2012	6,750,000	Note B
29004	Note A	2/1/2012	3,497,000	Note B
29005	Note A	2/1/2012	3,700,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
29006	Note A	2/1/2012	6,300,000	Note B
29007	Note A	2/1/2012	8,785,870	Note B
29008	Note A	2/1/2012	7,048,472	Note B
29009	Note A	2/1/2012	536,238	Note B
29012	Note A	2/1/2012	6,880,000	Note B
Subtotal - Housing Developer Loans			523,777,447	
Downpayment Assistance Loans:				
5600199	Note A	2/1/2012	25,504	Note B
5600200	Note A	2/1/2012	25,897	Note B
5600197	Note A	2/1/2012	25,977	Note B
5601001554	Note A	2/1/2012	10,517	Note B
5600322	Note A	2/1/2012	25,648	Note B
5600202	Note A	2/1/2012	25,656	Note B
5600282	Note A	2/1/2012	24,518	Note B
5600190	Note A	2/1/2012	20,084	Note B
5600206	Note A	2/1/2012	26,354	Note B
5600046	Note A	2/1/2012	11,356	Note B
5600279	Note A	2/1/2012	20,535	Note B
5600047	Note A	2/1/2012	10,963	Note B
9551006903	Note A	2/1/2012	26,057	Note B
5600186	Note A	2/1/2012	23,966	Note B
5600048	Note A	2/1/2012	10,597	Note B
5600179	Note A	2/1/2012	25,625	Note B
5600049	Note A	2/1/2012	10,933	Note B
5600171	Note A	2/1/2012	25,969	Note B
5600075	Note A	2/1/2012	14,348	Note B
5600168	Note A	2/1/2012	25,488	Note B
5600167	Note A	2/1/2012	25,969	Note B
5600182	Note A	2/1/2012	25,888	Note B
5600070	Note A	2/1/2012	14,985	Note B
1000015271	Note A	2/1/2012	25,000	Note B
1000018125	Note A	2/1/2012	65,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000028804	Note A	2/1/2012	35,000	Note B
1000020773	Note A	2/1/2012	65,000	Note B
1000016909	Note A	2/1/2012	40,000	Note B
1000015273	Note A	2/1/2012	40,000	Note B
1000015275	Note A	2/1/2012	25,000	Note B
1000015276	Note A	2/1/2012	40,000	Note B
1000020625	Note A	2/1/2012	40,000	Note B
1000020537	Note A	2/1/2012	40,000	Note B
1000015277	Note A	2/1/2012	25,000	Note B
1000015278	Note A	2/1/2012	65,000	Note B
1000015279	Note A	2/1/2012	40,000	Note B
1000015280	Note A	2/1/2012	40,000	Note B
1000015282	Note A	2/1/2012	40,000	Note B
1000015302	Note A	2/1/2012	40,000	Note B
1000020275	Note A	2/1/2012	40,000	Note B
1000020538	Note A	2/1/2012	40,000	Note B
1000016912	Note A	2/1/2012	40,000	Note B
1000021593	Note A	2/1/2012	50,000	Note B
1000015305	Note A	2/1/2012	40,000	Note B
1000020299	Note A	2/1/2012	40,000	Note B
1000020761	Note A	2/1/2012	40,000	Note B
1000012779	Note A	2/1/2012	32,000	Note B
1000014983	Note A	2/1/2012	40,000	Note B
1000020427	Note A	2/1/2012	40,000	Note B
1000027215	Note A	2/1/2012	50,000	Note B
1000021008	Note A	2/1/2012	40,000	Note B
1000021015	Note A	2/1/2012	65,000	Note B
1000018669	Note A	2/1/2012	40,000	Note B
1000020778	Note A	2/1/2012	40,000	Note B
1000012772	Note A	2/1/2012	40,000	Note B
1000012773	Note A	2/1/2012	40,000	Note B
1000012774	Note A	2/1/2012	25,000	Note B
1000019914	Note A	2/1/2012	40,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000012775	Note A	2/1/2012	40,000	Note B
1000012791	Note A	2/1/2012	40,000	Note B
1000012792	Note A	2/1/2012	40,000	Note B
1000012690	Note A	2/1/2012	65,000	Note B
1000023078	Note A	2/1/2012	35,000	Note B
1000020769	Note A	2/1/2012	65,000	Note B
1000027877	Note A	2/1/2012	35,000	Note B
1000021836	Note A	2/1/2012	35,000	Note B
1000012796	Note A	2/1/2012	25,000	Note B
1000020426	Note A	2/1/2012	65,000	Note B
1000020217	Note A	2/1/2012	40,000	Note B
1000015188	Note A	2/1/2012	40,000	Note B
1000020434	Note A	2/1/2012	40,000	Note B
1000012783	Note A	2/1/2012	25,000	Note B
1000012777	Note A	2/1/2012	40,000	Note B
1000012785	Note A	2/1/2012	25,000	Note B
1000012788	Note A	2/1/2012	50,000	Note B
1000012789	Note A	2/1/2012	40,000	Note B
1000012787	Note A	2/1/2012	40,000	Note B
1000012692	Note A	2/1/2012	40,000	Note B
1000021618	Note A	2/1/2012	40,000	Note B
1000019925	Note A	2/1/2012	39,857	Note B
1000015192	Note A	2/1/2012	40,000	Note B
1000019923	Note A	2/1/2012	65,000	Note B
1000012693	Note A	2/1/2012	65,000	Note B
1000012695	Note A	2/1/2012	40,000	Note B
1000020942	Note A	2/1/2012	65,000	Note B
1000012697	Note A	2/1/2012	40,000	Note B
1000012698	Note A	2/1/2012	40,000	Note B
1000012700	Note A	2/1/2012	40,000	Note B
1000026126	Note A	2/1/2012	50,000	Note B
1000016356	Note A	2/1/2012	65,000	Note B
1000012703	Note A	2/1/2012	25,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000015386	Note A	2/1/2012	65,000	Note B
1000012704	Note A	2/1/2012	40,000	Note B
1000012712	Note A	2/1/2012	40,000	Note B
1000012705	Note A	2/1/2012	40,000	Note B
1000012711	Note A	2/1/2012	40,000	Note B
1000015193	Note A	2/1/2012	40,000	Note B
1000012713	Note A	2/1/2012	25,000	Note B
1000021931	Note A	2/1/2012	35,000	Note B
1000023578	Note A	2/1/2012	50,000	Note B
1000020273	Note A	2/1/2012	40,000	Note B
1000012706	Note A	2/1/2012	40,000	Note B
1000012707	Note A	2/1/2012	40,000	Note B
1000012708	Note A	2/1/2012	40,000	Note B
1000020526	Note A	2/1/2012	65,000	Note B
1000012709	Note A	2/1/2012	40,000	Note B
1000016893	Note A	2/1/2012	65,000	Note B
1000012644	Note A	2/1/2012	40,000	Note B
1000012648	Note A	2/1/2012	40,000	Note B
1000021022	Note A	2/1/2012	65,000	Note B
1000020525	Note A	2/1/2012	40,000	Note B
1000012649	Note A	2/1/2012	40,000	Note B
1000020832	Note A	2/1/2012	40,000	Note B
1000015680	Note A	2/1/2012	65,000	Note B
1000014610	Note A	2/1/2012	40,000	Note B
1000012638	Note A	2/1/2012	65,000	Note B
1000012652	Note A	2/1/2012	40,000	Note B
1000012635	Note A	2/1/2012	40,000	Note B
1000027212	Note A	2/1/2012	50,000	Note B
1000012654	Note A	2/1/2012	12,000	Note B
1000022472	Note A	2/1/2012	35,000	Note B
1000012656	Note A	2/1/2012	40,000	Note B
1000012632	Note A	2/1/2012	40,000	Note B
1000012637	Note A	2/1/2012	40,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000012639	Note A	2/1/2012	40,000	Note B
1000012660	Note A	2/1/2012	40,000	Note B
1000012640	Note A	2/1/2012	40,000	Note B
1000012641	Note A	2/1/2012	40,000	Note B
1000021527	Note A	2/1/2012	40,000	Note B
1000018876	Note A	2/1/2012	65,000	Note B
1000012646	Note A	2/1/2012	40,000	Note B
1000022791	Note A	2/1/2012	40,000	Note B
1000014705	Note A	2/1/2012	65,000	Note B
1000012647	Note A	2/1/2012	40,000	Note B
1000012650	Note A	2/1/2012	65,000	Note B
1000020204	Note A	2/1/2012	40,000	Note B
1000012651	Note A	2/1/2012	40,000	Note B
1000012657	Note A	2/1/2012	65,000	Note B
1000012658	Note A	2/1/2012	40,000	Note B
1000023195	Note A	2/1/2012	35,000	Note B
1000025891	Note A	2/1/2012	50,000	Note B
1000012634	Note A	2/1/2012	34,699	Note B
1000020631	Note A	2/1/2012	65,000	Note B
1000012859	Note A	2/1/2012	40,000	Note B
1000012862	Note A	2/1/2012	40,000	Note B
1000012864	Note A	2/1/2012	25,000	Note B
1000020199	Note A	2/1/2012	40,000	Note B
1000014985	Note A	2/1/2012	40,000	Note B
1000020968	Note A	2/1/2012	65,000	Note B
1000012865	Note A	2/1/2012	40,000	Note B
1000012867	Note A	2/1/2012	40,000	Note B
1000023483	Note A	2/1/2012	50,000	Note B
1000020190	Note A	2/1/2012	40,000	Note B
1000015189	Note A	2/1/2012	40,000	Note B
1000015190	Note A	2/1/2012	40,000	Note B
1000020941	Note A	2/1/2012	40,000	Note B
1000016983	Note A	2/1/2012	40,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000020994	Note A	2/1/2012	65,000	Note B
1000012868	Note A	2/1/2012	40,000	Note B
1000015671	Note A	2/1/2012	40,000	Note B
1000012870	Note A	2/1/2012	40,000	Note B
1000012871	Note A	2/1/2012	40,000	Note B
1000020431	Note A	2/1/2012	40,000	Note B
1000012874	Note A	2/1/2012	36,272	Note B
1000020995	Note A	2/1/2012	40,000	Note B
1000012491	Note A	2/1/2012	15,000	Note B
1000020524	Note A	2/1/2012	65,000	Note B
1000012495	Note A	2/1/2012	25,000	Note B
1000021000	Note A	2/1/2012	40,000	Note B
1000012487	Note A	2/1/2012	40,000	Note B
1000012486	Note A	2/1/2012	40,000	Note B
1000012497	Note A	2/1/2012	40,000	Note B
1000012498	Note A	2/1/2012	40,000	Note B
1000012499	Note A	2/1/2012	40,000	Note B
1000012501	Note A	2/1/2012	40,000	Note B
1000012508	Note A	2/1/2012	40,000	Note B
1000012505	Note A	2/1/2012	40,000	Note B
1000015241	Note A	2/1/2012	40,000	Note B
1000015242	Note A	2/1/2012	40,000	Note B
1000022207	Note A	2/1/2012	40,000	Note B
1000015243	Note A	2/1/2012	40,000	Note B
1000023533	Note A	2/1/2012	35,000	Note B
1000015246	Note A	2/1/2012	40,000	Note B
1000020527	Note A	2/1/2012	65,000	Note B
1000015247	Note A	2/1/2012	40,000	Note B
1000015667	Note A	2/1/2012	40,000	Note B
1000021826	Note A	2/1/2012	35,000	Note B
1000015248	Note A	2/1/2012	40,000	Note B
1000027541	Note A	2/1/2012	35,000	Note B
1000022380	Note A	2/1/2012	65,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000015249	Note A	2/1/2012	40,000	Note B
1000015250	Note A	2/1/2012	40,000	Note B
1000015251	Note A	2/1/2012	40,000	Note B
1000015254	Note A	2/1/2012	40,000	Note B
1000013714	Note A	2/1/2012	40,000	Note B
1000013008	Note A	2/1/2012	40,000	Note B
1000013013	Note A	2/1/2012	40,000	Note B
1000021234	Note A	2/1/2012	65,000	Note B
1000013027	Note A	2/1/2012	38,976	Note B
1000013016	Note A	2/1/2012	40,000	Note B
1000015707	Note A	2/1/2012	65,000	Note B
1000013028	Note A	2/1/2012	40,000	Note B
1000020996	Note A	2/1/2012	8,442	Note B
1000023184	Note A	2/1/2012	50,000	Note B
1000013017	Note A	2/1/2012	40,000	Note B
1000013018	Note A	2/1/2012	40,000	Note B
1000013019	Note A	2/1/2012	40,000	Note B
1000013020	Note A	2/1/2012	40,000	Note B
1000013021	Note A	2/1/2012	40,000	Note B
1000013023	Note A	2/1/2012	25,000	Note B
1000013024	Note A	2/1/2012	40,000	Note B
1000025478	Note A	2/1/2012	50,000	Note B
1000013025	Note A	2/1/2012	40,000	Note B
1000013718	Note A	2/1/2012	40,000	Note B
1000013719	Note A	2/1/2012	40,000	Note B
1000020521	Note A	2/1/2012	40,000	Note B
1000013724	Note A	2/1/2012	40,000	Note B
1000013725	Note A	2/1/2012	40,000	Note B
1000021359	Note A	2/1/2012	40,000	Note B
1000020523	Note A	2/1/2012	65,000	Note B
1000020999	Note A	2/1/2012	40,000	Note B
1000013727	Note A	2/1/2012	65,000	Note B
1000013731	Note A	2/1/2012	40,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000020192	Note A	2/1/2012	40,000	Note B
1000020744	Note A	2/1/2012	65,000	Note B
1000013732	Note A	2/1/2012	40,000	Note B
1000020294	Note A	2/1/2012	40,000	Note B
1000013735	Note A	2/1/2012	40,000	Note B
1000013736	Note A	2/1/2012	40,000	Note B
1000013737	Note A	2/1/2012	40,000	Note B
1000014779	Note A	2/1/2012	40,000	Note B
1000013782	Note A	2/1/2012	40,000	Note B
1000013783	Note A	2/1/2012	40,000	Note B
1000013784	Note A	2/1/2012	40,000	Note B
1000016883	Note A	2/1/2012	65,000	Note B
1000013786	Note A	2/1/2012	40,000	Note B
1000013788	Note A	2/1/2012	40,000	Note B
1000013790	Note A	2/1/2012	40,000	Note B
1000013793	Note A	2/1/2012	40,000	Note B
1000013866	Note A	2/1/2012	40,000	Note B
1000015389	Note A	2/1/2012	65,000	Note B
1000013869	Note A	2/1/2012	40,000	Note B
1000013872	Note A	2/1/2012	40,000	Note B
1000013873	Note A	2/1/2012	40,000	Note B
1000013874	Note A	2/1/2012	40,000	Note B
1000013877	Note A	2/1/2012	40,000	Note B
1000013878	Note A	2/1/2012	40,000	Note B
1000013879	Note A	2/1/2012	40,000	Note B
1000020430	Note A	2/1/2012	65,000	Note B
1000021361	Note A	2/1/2012	65,000	Note B
1000013881	Note A	2/1/2012	6,780	Note B
1000023782	Note A	2/1/2012	50,000	Note B
1000013883	Note A	2/1/2012	25,000	Note B
1000022804	Note A	2/1/2012	35,000	Note B
1000013884	Note A	2/1/2012	40,000	Note B
1000014621	Note A	2/1/2012	40,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000019039	Note A	2/1/2012	40,000	Note B
1000013886	Note A	2/1/2012	40,000	Note B
1000015683	Note A	2/1/2012	65,000	Note B
1000016036	Note A	2/1/2012	40,000	Note B
1000013890	Note A	2/1/2012	4,590	Note B
1000013891	Note A	2/1/2012	40,000	Note B
1000013893	Note A	2/1/2012	40,000	Note B
1000013896	Note A	2/1/2012	40,000	Note B
1000020969	Note A	2/1/2012	65,000	Note B
1000015229	Note A	2/1/2012	40,000	Note B
1000015227	Note A	2/1/2012	40,000	Note B
1000015230	Note A	2/1/2012	65,000	Note B
1000015232	Note A	2/1/2012	40,000	Note B
1000015234	Note A	2/1/2012	40,000	Note B
1000015235	Note A	2/1/2012	40,000	Note B
1000016881	Note A	2/1/2012	65,000	Note B
1000020997	Note A	2/1/2012	40,000	Note B
1000015238	Note A	2/1/2012	40,000	Note B
1000015239	Note A	2/1/2012	39,471	Note B
1000015393	Note A	2/1/2012	40,000	Note B
1000015396	Note A	2/1/2012	40,000	Note B
1000021557	Note A	2/1/2012	35,000	Note B
1000015398	Note A	2/1/2012	40,000	Note B
1000022190	Note A	2/1/2012	50,000	Note B
1000015400	Note A	2/1/2012	15,000	Note B
1000020535	Note A	2/1/2012	40,000	Note B
1000015402	Note A	2/1/2012	40,000	Note B
1000020534	Note A	2/1/2012	40,000	Note B
1000022467	Note A	2/1/2012	40,000	Note B
1000015403	Note A	2/1/2012	40,000	Note B
1000015404	Note A	2/1/2012	40,000	Note B
1000029725	Note A	2/1/2012	50,000	Note B
1000022454	Note A	2/1/2012	35,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000015405	Note A	2/1/2012	65,000	Note B
1000020536	Note A	2/1/2012	65,000	Note B
1000019921	Note A	2/1/2012	40,000	Note B
1000015172	Note A	2/1/2012	40,000	Note B
1000015173	Note A	2/1/2012	40,000	Note B
1000019927	Note A	2/1/2012	65,000	Note B
1000015175	Note A	2/1/2012	39,058	Note B
1000021941	Note A	2/1/2012	65,000	Note B
1000015178	Note A	2/1/2012	40,000	Note B
1000015179	Note A	2/1/2012	40,000	Note B
1000021598	Note A	2/1/2012	50,000	Note B
1000015180	Note A	2/1/2012	25,000	Note B
1000015183	Note A	2/1/2012	40,000	Note B
1000015184	Note A	2/1/2012	40,000	Note B
1000015187	Note A	2/1/2012	40,000	Note B
1000015255	Note A	2/1/2012	40,000	Note B
1000015256	Note A	2/1/2012	40,000	Note B
1000015257	Note A	2/1/2012	40,000	Note B
1000015258	Note A	2/1/2012	40,000	Note B
1000015259	Note A	2/1/2012	40,000	Note B
1000015260	Note A	2/1/2012	40,000	Note B
1000022657	Note A	2/1/2012	50,000	Note B
1000021012	Note A	2/1/2012	65,000	Note B
1000015261	Note A	2/1/2012	25,000	Note B
1000015262	Note A	2/1/2012	65,000	Note B
1000015704	Note A	2/1/2012	65,000	Note B
1000015263	Note A	2/1/2012	40,000	Note B
1000015998	Note A	2/1/2012	25,000	Note B
1000020447	Note A	2/1/2012	65,000	Note B
1000024509	Note A	2/1/2012	50,000	Note B
1000015265	Note A	2/1/2012	40,000	Note B
1000024097	Note A	2/1/2012	35,000	Note B
1000015266	Note A	2/1/2012	40,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000015267	Note A	2/1/2012	65,000	Note B
1000014598	Note A	2/1/2012	65,000	Note B
1000015268	Note A	2/1/2012	40,000	Note B
1000022187	Note A	2/1/2012	35,000	Note B
1000015269	Note A	2/1/2012	40,000	Note B
1000017024	Note A	2/1/2012	40,000	Note B
1000014730	Note A	2/1/2012	40,000	Note B
1000015289	Note A	2/1/2012	9,110	Note B
1000020983	Note A	2/1/2012	40,000	Note B
1000020980	Note A	2/1/2012	40,000	Note B
1000018668	Note A	2/1/2012	7,170	Note B
1000017026	Note A	2/1/2012	40,000	Note B
1000020630	Note A	2/1/2012	40,000	Note B
1000021884	Note A	2/1/2012	35,000	Note B
1000020533	Note A	2/1/2012	65,000	Note B
1000017027	Note A	2/1/2012	40,000	Note B
1000017028	Note A	2/1/2012	65,000	Note B
1000017029	Note A	2/1/2012	25,000	Note B
1000017030	Note A	2/1/2012	25,000	Note B
1000017031	Note A	2/1/2012	40,000	Note B
1000017032	Note A	2/1/2012	40,000	Note B
1000017033	Note A	2/1/2012	40,000	Note B
1000017035	Note A	2/1/2012	40,000	Note B
1000029109	Note A	2/1/2012	35,000	Note B
1000017036	Note A	2/1/2012	40,000	Note B
1000020889	Note A	2/1/2012	60,000	Note B
1000020760	Note A	2/1/2012	60,000	Note B
1000021016	Note A	2/1/2012	60,000	Note B
1000018126	Note A	2/1/2012	60,000	Note B
1000016897	Note A	2/1/2012	60,000	Note B
1000022806	Note A	2/1/2012	50,000	Note B
1000025104	Note A	2/1/2012	46,800	Note B
1000022802	Note A	2/1/2012	60,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000023395	Note A	2/1/2012	50,000	Note B
1000021006	Note A	2/1/2012	60,000	Note B
1000021239	Note A	2/1/2012	60,000	Note B
1000023775	Note A	2/1/2012	50,000	Note B
1000021284	Note A	2/1/2012	60,000	Note B
1000021945	Note A	2/1/2012	11,000	Note B
1000022800	Note A	2/1/2012	42,000	Note B
5600198	Note A	2/1/2012	92,560	Note B
1000020290	Note A	2/1/2012	118,167	Note B
1000015274	Note A	2/1/2012	45,000	Note B
1000021379	Note A	2/1/2012	80,000	Note B
1000018562	Note A	2/1/2012	5,000	Note B
5600058	Note A	2/1/2012	25,000	Note B
1000021731	Note A	2/1/2012	60,000	Note B
1000021518	Note A	2/1/2012	60,000	Note B
1000015297	Note A	2/1/2012	5,000	Note B
1000015299	Note A	2/1/2012	5,000	Note B
5601012458	Note A	2/1/2012	51,000	Note B
1000015301	Note A	2/1/2012	5,000	Note B
1000016243	Note A	2/1/2012	108,571	Note B
1000022412	Note A	2/1/2012	60,000	Note B
1000020274	Note A	2/1/2012	60,000	Note B
1000022082	Note A	2/1/2012	60,000	Note B
1000021087	Note A	2/1/2012	50,000	Note B
1000020762	Note A	2/1/2012	43,000	Note B
1000021221	Note A	2/1/2012	80,000	Note B
5600018	Note A	2/1/2012	25,900	Note B
1000021251	Note A	2/1/2012	60,000	Note B
1000022074	Note A	2/1/2012	50,000	Note B
5601000657	Note A	2/1/2012	37,000	Note B
1000022400	Note A	2/1/2012	60,000	Note B
1000023413	Note A	2/1/2012	60,000	Note B
1000018564	Note A	2/1/2012	5,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000021540	Note A	2/1/2012	80,000	Note B
1000022456	Note A	2/1/2012	50,000	Note B
1000020682	Note A	2/1/2012	60,000	Note B
1000021832	Note A	2/1/2012	60,000	Note B
1000019915	Note A	2/1/2012	60,000	Note B
5600119	Note A	2/1/2012	35,550	Note B
1000020221	Note A	2/1/2012	80,000	Note B
1000016056	Note A	2/1/2012	108,571	Note B
1000016254	Note A	2/1/2012	108,571	Note B
1000022399	Note A	2/1/2012	60,000	Note B
1000012797	Note A	2/1/2012	50,000	Note B
1000021043	Note A	2/1/2012	60,000	Note B
5600110	Note A	2/1/2012	9,250	Note B
1000024507	Note A	2/1/2012	60,000	Note B
1000022191	Note A	2/1/2012	50,000	Note B
1000020433	Note A	2/1/2012	60,000	Note B
1000022200	Note A	2/1/2012	60,000	Note B
1000021839	Note A	2/1/2012	60,000	Note B
1000020218	Note A	2/1/2012	60,000	Note B
1000016022	Note A	2/1/2012	40,000	Note B
1000021018	Note A	2/1/2012	50,000	Note B
1000024510	Note A	2/1/2012	58,725	Note B
1000021617	Note A	2/1/2012	60,000	Note B
1000023393	Note A	2/1/2012	60,000	Note B
1000016023	Note A	2/1/2012	40,000	Note B
1000022193	Note A	2/1/2012	60,000	Note B
1000021840	Note A	2/1/2012	20,000	Note B
1000021082	Note A	2/1/2012	40,000	Note B
5600020	Note A	2/1/2012	41,500	Note B
1000021953	Note A	2/1/2012	60,000	Note B
1000021930	Note A	2/1/2012	60,000	Note B
1000020278	Note A	2/1/2012	60,000	Note B
1000021534	Note A	2/1/2012	60,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000022059	Note A	2/1/2012	45,000	Note B
1000022194	Note A	2/1/2012	50,000	Note B
1000012715	Note A	2/1/2012	40,000	Note B
1000021260	Note A	2/1/2012	60,000	Note B
1000018585	Note A	2/1/2012	50,000	Note B
1000021572	Note A	2/1/2012	80,000	Note B
1000021932	Note A	2/1/2012	60,000	Note B
1000023577	Note A	2/1/2012	50,000	Note B
1000021828	Note A	2/1/2012	30,000	Note B
1000021821	Note A	2/1/2012	51,000	Note B
1000020514	Note A	2/1/2012	50,000	Note B
1000020428	Note A	2/1/2012	50,000	Note B
1000020511	Note A	2/1/2012	80,000	Note B
1000021626	Note A	2/1/2012	60,000	Note B
5600268	Note A	2/1/2012	21,450	Note B
1000021021	Note A	2/1/2012	60,000	Note B
5600191	Note A	2/1/2012	82,560	Note B
1000021138	Note A	2/1/2012	60,000	Note B
1000016987	Note A	2/1/2012	5,000	Note B
1000016024	Note A	2/1/2012	50,000	Note B
1000020734	Note A	2/1/2012	60,000	Note B
1000023158	Note A	2/1/2012	60,000	Note B
1000021255	Note A	2/1/2012	60,000	Note B
5600187	Note A	2/1/2012	92,560	Note B
1000021511	Note A	2/1/2012	60,000	Note B
1000021002	Note A	2/1/2012	50,000	Note B
1000018584	Note A	2/1/2012	46,950	Note B
1000021566	Note A	2/1/2012	40,000	Note B
5600125	Note A	2/1/2012	35,000	Note B
1000022083	Note A	2/1/2012	60,000	Note B
1000016025	Note A	2/1/2012	40,000	Note B
1000015284	Note A	2/1/2012	45,000	Note B
1000022790	Note A	2/1/2012	60,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
5600267	Note A	2/1/2012	24,952	Note B
1000020951	Note A	2/1/2012	5,000	Note B
1000020444	Note A	2/1/2012	60,000	Note B
1000021376	Note A	2/1/2012	60,000	Note B
1000020740	Note A	2/1/2012	80,000	Note B
1000012633	Note A	2/1/2012	42,963	Note B
5600260	Note A	2/1/2012	37,000	Note B
1000015287	Note A	2/1/2012	45,000	Note B
1000020680	Note A	2/1/2012	80,000	Note B
1000015288	Note A	2/1/2012	45,000	Note B
1000021722	Note A	2/1/2012	17,000	Note B
1000020633	Note A	2/1/2012	60,000	Note B
1000020189	Note A	2/1/2012	60,000	Note B
1000021509	Note A	2/1/2012	60,000	Note B
1000016026	Note A	2/1/2012	40,000	Note B
1000023121	Note A	2/1/2012	60,000	Note B
1000023485	Note A	2/1/2012	60,000	Note B
1000020755	Note A	2/1/2012	118,167	Note B
5600130	Note A	2/1/2012	50,000	Note B
1000016027	Note A	2/1/2012	50,000	Note B
1000022413	Note A	2/1/2012	59,000	Note B
1000023646	Note A	2/1/2012	86,889	Note B
1000021997	Note A	2/1/2012	60,000	Note B
1000016028	Note A	2/1/2012	50,000	Note B
1000019049	Note A	2/1/2012	110,333	Note B
1000023548	Note A	2/1/2012	60,000	Note B
1000022797	Note A	2/1/2012	50,000	Note B
1000022460	Note A	2/1/2012	50,000	Note B
1000022087	Note A	2/1/2012	60,000	Note B
1000021048	Note A	2/1/2012	60,000	Note B
1000022206	Note A	2/1/2012	60,000	Note B
1000020723	Note A	2/1/2012	60,000	Note B
1000023532	Note A	2/1/2012	60,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
5600056	Note A	2/1/2012	25,000	Note B
1000016030	Note A	2/1/2012	40,000	Note B
1000018563	Note A	2/1/2012	5,000	Note B
5600133	Note A	2/1/2012	73,000	Note B
1000024370	Note A	2/1/2012	60,000	Note B
1000021838	Note A	2/1/2012	80,000	Note B
1000020722	Note A	2/1/2012	60,000	Note B
1000022451	Note A	2/1/2012	60,000	Note B
5600139	Note A	2/1/2012	20,000	Note B
1000021226	Note A	2/1/2012	60,000	Note B
1000021825	Note A	2/1/2012	1,000	Note B
1000020891	Note A	2/1/2012	104,000	Note B
1000022209	Note A	2/1/2012	50,000	Note B
1000022217	Note A	2/1/2012	40,000	Note B
1000016031	Note A	2/1/2012	40,000	Note B
1000020512	Note A	2/1/2012	60,000	Note B
5600137	Note A	2/1/2012	38,000	Note B
1000022181	Note A	2/1/2012	60,000	Note B
1000021076	Note A	2/1/2012	50,000	Note B
1000021729	Note A	2/1/2012	60,000	Note B
1000016067	Note A	2/1/2012	50,000	Note B
5600136	Note A	2/1/2012	73,000	Note B
5601000658	Note A	2/1/2012	37,000	Note B
1000022302	Note A	2/1/2012	60,000	Note B
1000021042	Note A	2/1/2012	60,000	Note B
1000022198	Note A	2/1/2012	74,000	Note B
1000022223	Note A	2/1/2012	60,000	Note B
1000016059	Note A	2/1/2012	108,571	Note B
1000015876	Note A	2/1/2012	37,500	Note B
1000021628	Note A	2/1/2012	60,000	Note B
1000021522	Note A	2/1/2012	60,000	Note B
1000021038	Note A	2/1/2012	60,000	Note B
1000014696	Note A	2/1/2012	275,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000014697	Note A	2/1/2012	122,000	Note B
5600148	Note A	2/1/2012	73,000	Note B
1000022406	Note A	2/1/2012	50,000	Note B
1000021835	Note A	2/1/2012	60,000	Note B
1000016138	Note A	2/1/2012	5,000	Note B
1000016248	Note A	2/1/2012	108,571	Note B
1000022801	Note A	2/1/2012	60,000	Note B
1000021559	Note A	2/1/2012	60,000	Note B
1000020886	Note A	2/1/2012	37,300	Note B
5600057	Note A	2/1/2012	28,000	Note B
1000023124	Note A	2/1/2012	60,000	Note B
1000022459	Note A	2/1/2012	60,000	Note B
1000023064	Note A	2/1/2012	50,000	Note B
1000020971	Note A	2/1/2012	118,167	Note B
5600045	Note A	2/1/2012	12,685	Note B
5600294	Note A	2/1/2012	49,960	Note B
1000021561	Note A	2/1/2012	50,000	Note B
1000020726	Note A	2/1/2012	60,000	Note B
1000021615	Note A	2/1/2012	80,000	Note B
1000020292	Note A	2/1/2012	60,000	Note B
5600146	Note A	2/1/2012	30,000	Note B
1000021528	Note A	2/1/2012	45,000	Note B
1000022197	Note A	2/1/2012	60,000	Note B
1000016070	Note A	2/1/2012	40,000	Note B
1000016071	Note A	2/1/2012	40,000	Note B
5600299	Note A	2/1/2012	50,000	Note B
1000022475	Note A	2/1/2012	45,000	Note B
1000023119	Note A	2/1/2012	60,000	Note B
1000022224	Note A	2/1/2012	50,000	Note B
1000020927	Note A	2/1/2012	60,000	Note B
1000015878	Note A	2/1/2012	45,000	Note B
5600201	Note A	2/1/2012	92,560	Note B
1000016015	Note A	2/1/2012	108,571	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000018586	Note A	2/1/2012	50,000	Note B
1000016242	Note A	2/1/2012	108,571	Note B
1000022377	Note A	2/1/2012	50,000	Note B
1000023141	Note A	2/1/2012	25,000	Note B
5600144	Note A	2/1/2012	47,000	Note B
1000022652	Note A	2/1/2012	60,000	Note B
1000021510	Note A	2/1/2012	60,000	Note B
5600008	Note A	2/1/2012	20,000	Note B
1000021020	Note A	2/1/2012	118,167	Note B
1000021560	Note A	2/1/2012	60,000	Note B
1000020962	Note A	2/1/2012	60,000	Note B
1000015879	Note A	2/1/2012	45,000	Note B
1000015967	Note A	2/1/2012	5,000	Note B
1000021411	Note A	2/1/2012	60,000	Note B
1000021041	Note A	2/1/2012	60,000	Note B
5600112	Note A	2/1/2012	43,100	Note B
1000022058	Note A	2/1/2012	30,000	Note B
5600269	Note A	2/1/2012	21,450	Note B
1000024481	Note A	2/1/2012	59,000	Note B
5600275	Note A	2/1/2012	33,050	Note B
1000022195	Note A	2/1/2012	60,000	Note B
5600175	Note A	2/1/2012	92,560	Note B
5600296	Note A	2/1/2012	49,950	Note B
1000021227	Note A	2/1/2012	80,000	Note B
1000023776	Note A	2/1/2012	53,998	Note B
1000015228	Note A	2/1/2012	45,000	Note B
1000021728	Note A	2/1/2012	60,000	Note B
1000022221	Note A	2/1/2012	50,000	Note B
1000022220	Note A	2/1/2012	40,000	Note B
1000019919	Note A	2/1/2012	110,333	Note B
1000022218	Note A	2/1/2012	30,000	Note B
5600062	Note A	2/1/2012	25,000	Note B
1000020770	Note A	2/1/2012	60,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000020882	Note A	2/1/2012	99,000	Note B
1000021732	Note A	2/1/2012	80,000	Note B
5600114	Note A	2/1/2012	11,700	Note B
1000016073	Note A	2/1/2012	40,000	Note B
1000022063	Note A	2/1/2012	60,000	Note B
1000023711	Note A	2/1/2012	59,866	Note B
1000022466	Note A	2/1/2012	45,000	Note B
1000021625	Note A	2/1/2012	60,000	Note B
1000022452	Note A	2/1/2012	50,000	Note B
1000022226	Note A	2/1/2012	60,000	Note B
1000021009	Note A	2/1/2012	118,167	Note B
1000022617	Note A	2/1/2012	60,000	Note B
1000022465	Note A	2/1/2012	60,000	Note B
1000015887	Note A	2/1/2012	45,000	Note B
1000020767	Note A	2/1/2012	60,000	Note B
1000020616	Note A	2/1/2012	50,000	Note B
1000021027	Note A	2/1/2012	60,000	Note B
1000021524	Note A	2/1/2012	40,000	Note B
1000016076	Note A	2/1/2012	47,861	Note B
1000020690	Note A	2/1/2012	60,000	Note B
1000021943	Note A	2/1/2012	60,000	Note B
1000015888	Note A	2/1/2012	45,000	Note B
1000021090	Note A	2/1/2012	50,000	Note B
5600261	Note A	2/1/2012	37,200	Note B
1000021830	Note A	2/1/2012	28,220	Note B
1000020956	Note A	2/1/2012	60,000	Note B
1000021594	Note A	2/1/2012	80,000	Note B
1000021883	Note A	2/1/2012	60,000	Note B
5600169	Note A	2/1/2012	58,435	Note B
1000016077	Note A	2/1/2012	40,000	Note B
1000016078	Note A	2/1/2012	40,000	Note B
5600277	Note A	2/1/2012	44,700	Note B
5600042	Note A	2/1/2012	25,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000014692	Note A	2/1/2012	45,000	Note B
1000019037	Note A	2/1/2012	60,000	Note B
1000020952	Note A	2/1/2012	99,000	Note B
1000022654	Note A	2/1/2012	60,000	Note B
1000022201	Note A	2/1/2012	60,000	Note B
1000016035	Note A	2/1/2012	5,000	Note B
1000014691	Note A	2/1/2012	50,000	Note B
1000021254	Note A	2/1/2012	60,000	Note B
1000021091	Note A	2/1/2012	60,000	Note B
1000021218	Note A	2/1/2012	50,000	Note B
1000021987	Note A	2/1/2012	40,000	Note B
1000021620	Note A	2/1/2012	30,600	Note B
5600172	Note A	2/1/2012	92,560	Note B
1000022596	Note A	2/1/2012	60,000	Note B
5601000656	Note A	2/1/2012	37,500	Note B
5600150	Note A	2/1/2012	50,000	Note B
1000020748	Note A	2/1/2012	80,000	Note B
1000021034	Note A	2/1/2012	60,000	Note B
1000016045	Note A	2/1/2012	5,000	Note B
1000022300	Note A	2/1/2012	60,000	Note B
1000020872	Note A	2/1/2012	110,333	Note B
1000021217	Note A	2/1/2012	60,000	Note B
1000022086	Note A	2/1/2012	50,000	Note B
1000021287	Note A	2/1/2012	60,000	Note B
1000021409	Note A	2/1/2012	60,000	Note B
1000023079	Note A	2/1/2012	60,000	Note B
1000022204	Note A	2/1/2012	60,000	Note B
5600030	Note A	2/1/2012	30,000	Note B
1000016081	Note A	2/1/2012	40,000	Note B
1000021512	Note A	2/1/2012	80,000	Note B
5600276	Note A	2/1/2012	27,450	Note B
1000021011	Note A	2/1/2012	80,000	Note B
Subtotal - Downpayment Assistance Loans			31,176,904	

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
Rehabilitation Loans:				
9557511	Note A	2/1/2012	17,590	Note B
1000024589	Note A	2/1/2012	170,833	Note B
1000026014	Note A	2/1/2012	47,639	Note B
9557557	Note A	2/1/2012	5,580	Note B
9551022264	Note A	2/1/2012	3,268	Note B
9536617	Note A	2/1/2012	3,406	Note B
9551008673	Note A	2/1/2012	26,286	Note B
1000014575	Note A	2/1/2012	90,515	Note B
9557627	Note A	2/1/2012	7,074	Note B
9557559	Note A	2/1/2012	50,902	Note B
9827467	Note A	2/1/2012	10,377	Note B
9557544	Note A	2/1/2012	103,701	Note B
9557024	Note A	2/1/2012	8,162	Note B
9827469	Note A	2/1/2012	12,614	Note B
9557537	Note A	2/1/2012	22,368	Note B
9557625	Note A	2/1/2012	72,640	Note B
9551017134	Note A	2/1/2012	61,372	Note B
9557637	Note A	2/1/2012	1,125	Note B
1000027166	Note A	2/1/2012	361	Note B
9551001917	Note A	2/1/2012	2,852	Note B
9557494	Note A	2/1/2012	114,442	Note B
9557502	Note A	2/1/2012	34,009	Note B
9557584	Note A	2/1/2012	38,640	Note B
1000023772	Note A	2/1/2012	13,258	Note B
9556365	Note A	2/1/2012	14,087	Note B
9551002579	Note A	2/1/2012	97,559	Note B
9551021988	Note A	2/1/2012	52,703	Note B
9827472	Note A	2/1/2012	10,720	Note B
9557628	Note A	2/1/2012	77,653	Note B
1000019021	Note A	2/1/2012	80,678	Note B
9557487	Note A	2/1/2012	33,159	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
9556967	Note A	2/1/2012	8,144	Note B
9557599	Note A	2/1/2012	61,008	Note B
1000025179	Note A	2/1/2012	5,037	Note B
9557501	Note A	2/1/2012	3,052	Note B
9557530	Note A	2/1/2012	138,957	Note B
9557582	Note A	2/1/2012	14,346	Note B
9551007780	Note A	2/1/2012	237,826	Note B
9551019972	Note A	2/1/2012	38,680	Note B
1000024336	Note A	2/1/2012	7,391	Note B
1000024337	Note A	2/1/2012	7,391	Note B
1000024338	Note A	2/1/2012	7,391	Note B
9557508	Note A	2/1/2012	184,454	Note B
9840010	Note A	2/1/2012	43,533	Note B
9557550	Note A	2/1/2012	183,377	Note B
9557549	Note A	2/1/2012	181,353	Note B
1000023170	Note A	2/1/2012	5,155	Note B
1000023183	Note A	2/1/2012	5,155	Note B
1000026923	Note A	2/1/2012	39,920	Note B
1000029025	Note A	2/1/2012	14,870	Note B
1000019902	Note A	2/1/2012	34,969	Note B
1000019904	Note A	2/1/2012	48,499	Note B
1000027359	Note A	2/1/2012	15,000	Note B
1000009047	Note A	2/1/2012	15,000	Note B
1000022712	Note A	2/1/2012	296,197	Note B
1000022715	Note A	2/1/2012	30,364	Note B
1000014556	Note A	2/1/2012	14,773	Note B
1000022001	Note A	2/1/2012	15,000	Note B
1000009072	Note A	2/1/2012	15,000	Note B
1000026128	Note A	2/1/2012	39,870	Note B
1000026705	Note A	2/1/2012	40,000	Note B
1000026706	Note A	2/1/2012	40,000	Note B
1000017179	Note A	2/1/2012	63,854	Note B
1000025204	Note A	2/1/2012	58,113	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000009049	Note A	2/1/2012	113,664	Note B
1000016232	Note A	2/1/2012	67,863	Note B
1000009073	Note A	2/1/2012	10,365	Note B
1000025894	Note A	2/1/2012	18,000	Note B
1000023545	Note A	2/1/2012	18,000	Note B
1000009066	Note A	2/1/2012	33,252	Note B
1000022717	Note A	2/1/2012	15,000	Note B
1000027273	Note A	2/1/2012	14,995	Note B
1000026139	Note A	2/1/2012	14,758	Note B
1000029026	Note A	2/1/2012	20,000	Note B
1000029111	Note A	2/1/2012	95,000	Note B
1000023574	Note A	2/1/2012	10,000	Note B
1000022719	Note A	2/1/2012	111,147	Note B
1000018561	Note A	2/1/2012	15,000	Note B
1000020757	Note A	2/1/2012	67,925	Note B
1000021366	Note A	2/1/2012	40,000	Note B
1000023392	Note A	2/1/2012	15,000	Note B
1000014576	Note A	2/1/2012	125,000	Note B
1000016187	Note A	2/1/2012	124,530	Note B
1000024762	Note A	2/1/2012	15,000	Note B
1000014507	Note A	2/1/2012	4,980	Note B
1000029684	Note A	2/1/2012	15,000	Note B
1000016196	Note A	2/1/2012	56,892	Note B
1000022807	Note A	2/1/2012	22,590	Note B
1000026523	Note A	2/1/2012	15,000	Note B
1000027428	Note A	2/1/2012	62,422	Note B
9551022406	Note A	2/1/2012	60,842	Note B
1000028847	Note A	2/1/2012	15,000	Note B
1000014511	Note A	2/1/2012	15,000	Note B
1000025232	Note A	2/1/2012	40,000	Note B
1000016235	Note A	2/1/2012	51,542	Note B
1000016236	Note A	2/1/2012	18,400	Note B
1000016259	Note A	2/1/2012	407,718	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000017059	Note A	2/1/2012	27,090	Note B
1000023346	Note A	2/1/2012	260,823	Note B
1000017000	Note A	2/1/2012	62,935	Note B
1000029024	Note A	2/1/2012	40,000	Note B
1000024724	Note A	2/1/2012	15,000	Note B
1000019243	Note A	2/1/2012	15,000	Note B
1000026713	Note A	2/1/2012	59,972	Note B
1000025227	Note A	2/1/2012	15,000	Note B
1000020271	Note A	2/1/2012	54,000	Note B
1000027096	Note A	2/1/2012	14,980	Note B
1000023780	Note A	2/1/2012	15,000	Note B
1000028249	Note A	2/1/2012	14,880	Note B
1000018984	Note A	2/1/2012	15,000	Note B
1000014527	Note A	2/1/2012	15,000	Note B
1000026953	Note A	2/1/2012	11,522	Note B
1000017008	Note A	2/1/2012	54,991	Note B
1000023573	Note A	2/1/2012	20,000	Note B
1000027425	Note A	2/1/2012	14,943	Note B
1000016426	Note A	2/1/2012	27,799	Note B
1000016439	Note A	2/1/2012	100,183	Note B
1000026744	Note A	2/1/2012	15,000	Note B
1000019242	Note A	2/1/2012	15,000	Note B
1000026143	Note A	2/1/2012	15,000	Note B
1000016601	Note A	2/1/2012	11,465	Note B
1000028805	Note A	2/1/2012	15,000	Note B
1000016619	Note A	2/1/2012	43,512	Note B
1000020830	Note A	2/1/2012	15,000	Note B
1000028245	Note A	2/1/2012	14,995	Note B
1000023040	Note A	2/1/2012	15,000	Note B
1000016607	Note A	2/1/2012	243,088	Note B
1000023169	Note A	2/1/2012	15,000	Note B
1000016621	Note A	2/1/2012	15,000	Note B
1000014515	Note A	2/1/2012	15,000	Note B

<u>Asset Description</u>	<u>Name of Recipient</u>	<u>Date of Transfer</u>	<u>Value of Asset on date of Transfer</u>	<u>Purpose of Transfer</u>
1000023418	Note A	2/1/2012	15,000	Note B
1000016620	Note A	2/1/2012	88,098	Note B
1000026536	Note A	2/1/2012	27,975	Note B
1000028141	Note A	2/1/2012	38,250	Note B
1000027097	Note A	2/1/2012	40,000	Note B
1000018815	Note A	2/1/2012	40,000	Note B
1000023391	Note A	2/1/2012	105,500	Note B
1000016624	Note A	2/1/2012	64,781	Note B
1000023643	Note A	2/1/2012	15,000	Note B
1000016626	Note A	2/1/2012	15,000	Note B
1000029682	Note A	2/1/2012	15,000	Note B
1000016634	Note A	2/1/2012	14,012	Note B
1000019135	Note A	2/1/2012	66,465	Note B
1000016635	Note A	2/1/2012	14,997	Note B
1000016637	Note A	2/1/2012	87,387	Note B
1000026720	Note A	2/1/2012	40,000	Note B
1000016917	Note A	2/1/2012	137,100	Note B
1000025889	Note A	2/1/2012	15,000	Note B
1000018123	Note A	2/1/2012	70,332	Note B
1000016934	Note A	2/1/2012	74,950	Note B
Subtotal - Rehabilitation Loans			7,216,162	
Total loans receivable			<u>\$ 567,764,539</u>	Note C

- Note A: City of San Jose as the agency that elected to perform the housing functions of the former redevelopment agency's Low and Moderate Income Housing Fund
- Note B: Section 34176 authorizes the transfer of housing assets other than unencumbered cash to the City if the City elects to perform the housing functions. The City of San Jose has elected to perform the housing function of the former redevelopment agency's Low Moderate Income Housing Fund. Unless otherwise noted, the assets listed herein have been approved as transferable Housing Assets by the State Department of Finance.
- Note C: The total amount of the Low and Moderate Income Housing Fund's loans receivable transferred to the Successor Housing Agency on 2/1/2012 agrees to the amount per the general ledger as of January 31, 2012 which was \$566,735,607. The total amount of loans receivable per the third party administrator of the loan accounts as of January 31, 2012 was, as listed here, \$567,764,539. The difference between the general ledger and the third party administrator is \$1,028,932. Due to mid year cut-off of the transfer, the difference may be caused by multiple factors. The Housing Department is in the process of reconciling the two balances and will complete this before the fiscal year 2012-13 close.
- * The State Department of Finance has objected to a portion of these transferred items. See Attachment E for further detail.

City of San Jose, Successor Agency to the San Jose Redevelopment Agency
 Low and Moderate Income Housing Fund
 June 30, 2012 Cash Retained to Satisfy Obligations for the 2012-13 ROPS

<u>Item</u>	<u>Name</u>	<u>ROPS Line Item</u>	<u>FY 2012-13 Approved Obligation Amount (in thousands)</u>	<u>Existing Cash Needed to Satisfy Obligation (in thousands)</u>	<u>Successor Agency Explanation</u>
1	Commercial Paper	56	\$ 600	\$ 300	After considering projected revenues, there will not be sufficient funds to cover these entire obligations for FY 2012-13
2	Housing Bonds	48	7,865	711	
3	2005 & 2006 ERAF Loan	62-63	4,493	2,247	
4	1996 & 2003 Variable Rate Bonds - Letter of Credit Fees	36	2,556	1,090	
				<u>\$ 4,348</u>	

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES (*in thousands*)

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$	4,348
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)		4,348
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		-
Amount to be remitted to county for disbursement to taxing entities	\$	-



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

August 31, 2012

Ms. Leslye Corsiglia, Director of Housing
City of San Jose
200 East Santa Clara Street
12th Floor, Housing Department.
San Jose, CA 95113

Dear Ms. Corsiglia:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of San Jose submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on August 1, 2012 for the period February 1, 2012 through August 1, 2012.

HSC section 34176 (e) defines a housing asset. Assets transferred deemed not to be a housing asset shall be returned to the successor agency. Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is objecting to the following assets or transfer of assets identified on your Form:

- Exhibit C, Item 4 and Exhibit D, Item 8 – The loan agreement for Eden Housing was entered into on June 29, 2011; however, HSC section 34163(b) prohibits a successor agency from entering into a contract with any entity for any purpose after June 27, 2011.
- Exhibit D, Items 1176 through 1195 – These are rehabilitation loan receivables entered into after June 27, 2011. HSC section 34163(b) prohibits a successor agency from entering into loans, agreements, or contracts with any entity for any purpose after June 27, 2011.
- Exhibit G, Item 1 – A reported \$56 million deferred receivable related to a Supplemental Educational Revenue Augmentation Fund loan out of the successor agency's low and moderate income housing fund. The Santa Clara Auditor-Controller's Office has provided Finance with a preliminary objection determination. According to the Auditor-Controller's Office, the above loan was funded using successor agency TAB proceeds which are currently in repayment from the RPTTF.

Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. If you disagree with our determination with respect to any items on the Form, you may request a Meet and Confer within five business days of receiving this letter.

Ms. Leslye Corsiglia
August 31, 2012
Page 2

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Rachel VanderVeen, Administrative Officer, City of San Jose
Ms. Irene Lui, Controller Treasurer, Santa Clara County
Ms. Jacelyn Ma, Property Tax Manager, Santa Clara County
Ms. Manju Beher, Internal Auditor Supervisor, Santa Clara County
California State Controller's Office