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BEFORE THE SANTA CRUZ COUNTY
REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. _____

On the motion of _____ duly seconded by _____ the following resolution is adopted:

RESOLUTION APPROVING MEETING MINUTES OF THE
OVERSIGHT BOARD

WHEREAS, the Santa Cruz County Redevelopment Successor Agency Oversight Board ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, the Oversight Board conducted a public meeting on December 18, 2012, the minutes of which are attached as Exhibit 1; and

WHEREAS, these meeting minutes reflect the actions of the Oversight Board;

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Santa Cruz County Redevelopment Successor Agency Oversight Board as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The meeting minutes of the Oversight Board meeting on December 18, 2012 are hereby approved.

PASSED, APPROVED and ADOPTED by the Santa Cruz County Redevelopment Successor Agency Oversight Board, this ___th day of _____, 2013 by the following vote:

AYES:

NOES:

ABSENT:

Chairperson of the Santa Cruz County Redevelopment
Successor Agency Oversight Board

**PROCEEDINGS OF THE
SANTA CRUZ COUNTY
REDEVELOPMENT SUCCESSOR AGENCY
OVERSIGHT BOARD**

**VOLUME 2012, NUMBER 7
December 18, 2012**

ACTION SUMMARY MINUTES

VOTING KEY:

C = Coonerty
D = Deming
G = Geisreiter
L = Leopold
M = Maxwell
Ro = Rozario
Re = Reece

First Initial indicates maker of motion, second initial indicates the "second"; upper case letter = "yes" vote; lower case letter = "no" vote; () = abstain; // = absent

-
1. **Call to Order/Roll Call** - Meeting called to order at 9:10 a.m. Members present: Coonerty, Deming, Geisreiter, Maxwell, Reece, Leopold Absent: Rozario.
 2. **Consideration of Late Additions to the Agenda; additions and deletions to Consent and Regular Agendas**
 3. **Action on the Consent Agenda**
 4. **Oral Communications** – no one addressed the Board

CONSENT AGENDA

5. **ADOPTED RESOLUTION NO. 26-2012OB** approving the meeting minutes of October 11, 2012

ReCDGML/Ro/

REGULAR AGENDA

6. **Conducted a public comment session; ADOPTED RESOLUTION NO. 27-2012OB** accepting the Due Diligence Review of all other funds, excluding the Low and Moderate Income Housing fund

GReCDML/Ro/

- 7. ADOPTED RESOLUTION NO. 28-2012OB approving a revised meeting schedule for 2012-2013

MDCGReL/Ro/

Approved: _____
 Chair, Oversight Board

Attest: _____
 Secretary of the Oversight Board

NOTE: This set of Santa Cruz County Redevelopment Successor Agency Oversight Board minutes is scheduled to be approved January 10, 2013



County of Santa Cruz

SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4073

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

December 21, 2012

Agenda: January 10, 2013

Oversight Board
Santa Cruz County Redevelopment Successor Agency
701 Ocean Street
Santa Cruz, CA 95062

Due Diligence Reviews

Dear Board Members:

Your Board accepted the due diligence review ("DDR") of all other funds, excluding the Low and Moderate Income Housing Fund ("LMIH"), and held a public comment session on December 18, 2012. Marcum, LLP, Certified Public Accountants, ("Marcum"), who completed the DDR of all other funds, excluding the LMIH, have determined that, including the required return of funds to the Successor Agency, \$479,399 is available for disbursement to the taxing entities, and \$31,218,353 is authorized for retention (copy attached).

The previous due diligence review ("DDR") of the Low and Moderate Income Housing Fund ("LMIH") was approved by your Board October 11, 2012, and subsequently submitted to the California Department of Finance. The Department of Finance approved the DDR of the LMIH without any adjustments in a letter dated November 8, 2012 (attached). The Successor Agency transferred \$80,386, the identified LMIH fund balance available for disbursement to the taxing entities, to the County Auditor-Controller on November 16, 2012.

Code Section 34179.6 sets January 15, 2013 as the deadline to transmit the Oversight Board approved DDR for all other funds, excluding the LMIH, to the California Department of Finance and the County Auditor-Controller.

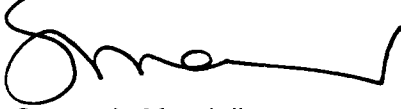
It is therefore recommended that your Board approve the attached resolution approving the Due Diligence Review of all other funds, excluding the Low and Moderate Income Housing Fund.

Very truly yours,

Betsey Lynberg
Assistant Public Works Director-Parks

Oversight Board
December 21, 2012
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RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

Attachments
Resolution

Cc: Successor Agency
CAO
County Counsel
Public Works - Real Property
Public Works - Parks
Auditor-Controller
Department of Finance

BEFORE THE SANTA CRUZ COUNTY
REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. _____

On the motion of _____ duly seconded by _____ the following resolution is adopted:

**RESOLUTION TO APPROVE THE DUE DILIGENCE REVIEW
OF ALL OTHER FUNDS, EXCLUDING THE LOW AND
MODERATE INCOME HOUSING FUND**

WHEREAS, the Santa Cruz County Redevelopment Successor Agency Oversight Board ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, the Successor Agency has employed a licensed accountant, Marcum, LLP ("Marcum") to conduct a due diligence review ("DDR") of all other funds, excluding the Low and Moderate Income Housing ("LMIH") fund, to determine the un-obligated balances available for transfer to the taxing entities per Health and Safety Code Section 34179.5; and

WHEREAS the DDR for all other funds, excluding the LMIH fund, has been submitted to the Oversight Board for review per Health and Safety Code Section 34179.6; and

WHEREAS, the Successor Agency has provided the DDR for all other funds, excluding the LMIH fund, to the Oversight Board, Santa Cruz County Auditor-Controller, California State Controller, and the California Department of Finance by December 15, 2012 per Health and Safety Code Section 34179.6(a); and

WHEREAS, the Oversight Board convened a public comment session on December 18, 2012, at least five business days before the scheduled approval vote on the DDR for all other funds, excluding the LMIH fund, on January 10, 2013 per Health and Safety Code Section 34179.6(b); and

WHEREAS, Health and Safety Code Section 34179.6(c) requires that the Oversight Board review, approve and transmit the DDR for all other funds, excluding the LMIH fund, and the determination of the amount of cash and cash equivalents that are available for disbursement to the taxing entities for all other funds, excluding the LMIH fund, to the California Department of Finance and Santa Cruz County Auditor-Controller by January 15, 2013; and

WHEREAS, the Santa Cruz County Auditor-Controller has approved the selection of Marcum, to perform the DDR; and

WHEREAS, Marcum has completed the DDR of all other funds, excluding the LMIH fund, and determined that \$479,399 is available for disbursement to the taxing entities, and \$31,218,353 of the fund balance as of June 30, 2012, including the subsequent required return of funds to the Successor Agency, is authorized for retention (Exhibit A);

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Santa Cruz County Redevelopment Successor Agency Oversight Board as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The Oversight Board hereby approves the DDR of all other funds, excluding the LMIH fund (Exhibit A).

PASSED, APPROVED and ADOPTED by the Santa Cruz County Redevelopment Successor Agency Oversight Board, this ___ day of _____, 2013 by the following vote:

AYES:
NOES:
ABSENT:

Chairperson of the Santa Cruz County Redevelopment
Successor Agency Oversight Board

ATTEST:

Clerk of the Oversight Board

Approved as to form:



County Counsel

- Distribution:
- County Counsel
 - Successor Agency
 - CAO
 - State Department of Finance
 - Auditor-Controller
 - Real Property

**Santa Cruz County
Redevelopment Successor
Agency**
(Successor Agency)

All Other Funds Combined (Excluding Low and Moderate Income Housing Fund)

*Independent Accountants' Report
on Applying Agreed-Upon Procedures
with respect to AB1484*

**SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY (SUCCESSOR AGENCY)
ALL OTHER FUNDS COMBINED EXCLUDING LOW AND MODERATE INCOME HOUSING FUND
CONTENTS**

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Exhibits

- Exhibit 1-01: Listing of all assets that were transferred from the Santa Cruz County Redevelopment Agency (Dissolved Agency) to the Santa Cruz County Redevelopment Successor Agency on February 1, 2012
- Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012
- Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz for the period February 1, 2012 through June 30, 2012
- Exhibit 4-01: Summary of the financial transactions of the Santa Cruz County Redevelopment Agency (Dissolved Agency) and the Santa Cruz County Redevelopment Successor Agency for the fiscal periods 2010 through 2012
- Exhibit 5-01: Listing of all assets of All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund) of the Santa Cruz County Redevelopment Successor Agency as of June 30, 2012
- Exhibit 6A-01: Listing of the Santa Cruz County Redevelopment Successor Agency Asset Balances Held on June 30, 2012 that are Restricted for the Purpose of Unspent Bond Proceeds
- Exhibit 6C-01: Listing of the Santa Cruz County Redevelopment Successor Agency Asset Balances Held on June 30, 2012 that are Restricted for the Following Purposes: Other Assets Considered to be Legally Restricted
- Exhibit 7-01: Listing of Assets of the Santa Cruz County Redevelopment Successor Agency as of June 30, 2012 that are Not Liquid or Otherwise Available for Distribution
- Exhibit 8A-01: Itemized Schedule of the Santa Cruz County Redevelopment Successor Agency Asset Balances (Resources) as of June 30, 2012 that are Dedicated or Restricted for Funding of Enforceable Obligations
- Exhibit 9-01: Schedule of Cash Balances as of June 30, 2012 that 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
- Exhibit 10-01: Summary of the Santa Cruz County Redevelopment Agency Balances Available for Allocation to Affected Taxing Entities

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

County of Santa Cruz
Santa Cruz County Auditor-Controller
Santa Cruz, California

Oversight Board
County of Santa Cruz
Santa Cruz, California

We have performed the agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, the California Department of Finance ("State Agencies"), and the Santa Cruz County Redevelopment Successor Agency solely to assist you in ensuring that the Santa Cruz County Redevelopment Successor Agency is complying with the statutory requirements of AB1484 with regard to All Other Funds Combined (Excluding Low and Moderate Income Housing Fund). Management of the Santa Cruz County Redevelopment Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code Section 34179.5(c)(1) through 34179.5(c)(6). 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 identified 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 agreed-upon procedures as set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

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

This report is intended solely for the information and use of the Santa Cruz County Redevelopment Successor Agency 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.

Marcum LLP

Irvine, California
December 13, 2012

Santa Cruz County Redevelopment Successor Agency All Other Funds Combined (Excluding Low and Moderate Income Housing Fund) Agreed-Upon Procedures with Respect to AB1484 Attachment A

Citation:

Section 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.

Procedure 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 assets transferred to the Successor Agency as of that date.

Results/Findings:

We obtained 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 attached at Exhibit 1-01. We agreed the amounts on this listing to the account balances established in the accounting records of the Successor Agency. In agreeing such amounts, we noted an exception in the amount of \$10,413,090, further detailed below, that was included on the listing, but not included in the account balances of the accounting records of the Successor Agency. The following table is the amount of assets transferred to the Successor Agency as of February 1, 2012:

Exhibit 1-01 – Assets transferred to Successor Agency on February 1, 2012	\$62,492,315
Accounting Records of Successor Agency on February 1, 2012	\$52,079,225
Difference	\$10,413,090

The following table provides the detail for the \$10,413,090 difference:

Item # per Exhibit 1-01	Asset Name	Exhibit 1-01	Per Accounting Records	Difference
70-88	Grants	\$10,367,491	--	\$10,367,491
96	Cash in Trust	\$ 29,290	--	\$ 29,290
97-98	Capital Assets	\$ 16,309	--	\$ 16,309
	Total			\$10,413,090

Per Successor Agency, Items 70-88 are unconditional grants that would only be paid to the County of Santa Cruz (“County”) if the affordable housing project fails to remain an affordable housing project. The Successor Agency does not include these grants as assets on their January 31, 2012 Balance Sheet.

Per Successor Agency, Item 96 is money held in a trust, separate from the Successor Agency's accounting records, for maintenance and repair for the property at 522 Capitola Road.

Per Successor Agency, Items 97-98 are capital assets used in governmental activities that were not current financial resources. Therefore, per Successor Agency, they were not reported in the governmental funds accounting records, based upon the modified accrual basis of accounting.

We also noted transfers on Exhibit 1-01 that had unknown carrying values. Per Successor Agency, the reason for such presentation on the listing was as follows: 1) Items 1, 22 and 23 are loans that have been paid off for which only recorded affordability restrictions remain. If the restrictions are violated the County has the right to purchase the property at a predetermined value 2) Items 2-21 are rights of first refusal for loans to individuals where the County has the right to buy back the property at a reduced price if the property is put up for sale.

Citation:

Section 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.

Procedure 2:

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

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Results/Findings:

Procedure 2A:

See Exhibit 2A-01 for the listing 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.

Procedure 2B-01:

See Exhibit 2B-01 for the listing 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.

Procedure 2C:

For the transfers made for the period from January 1, 2011 through January 31, 2012 (Exhibit 2A-01) we noted:

For Items 1-11 and 13-17,19-23 and 31-35 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency the forgoing documents provide the legal basis for the enforceable obligation that required the transfer. Per Successor Agency this Real Property was returned to the Redevelopment Successor Agency. We were provided the noted quitclaim deed per Exhibit 2A-01.

For Items 12 and 27 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted assets was contractually committed by the County of Santa Cruz prior to the invalidation. We were also provided the *Memorandum of Understanding for the Development of the Live Oak Resource Center*, dated 3/30/07 and the *Live Oak Resource Center Lease between the County of Santa Cruz and Live Oak Community Center and Opening Doors Fund Joint Venture*, dated 3/8/11. Per Successor Agency the forgoing documents provide the legal basis for the enforceable obligation that required the transfer.

For Item 18 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted asset was contractually committed by The County of Santa Cruz in a Contract of Sale. We were provided by the Successor Agency the *Contract of Sale between the County of Santa Cruz and Soquel Creek Water District*, dated 6/17/11.

For Item 24 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted assets was contractually committed by the County of Santa Cruz prior to the invalidation. We were also provided the *Agreement Regarding Purchase of Portable Classroom for Use as Teen Center between Live Oak School District and Santa Cruz County Redevelopment Agency*, dated 1/23/01. Per Successor Agency the forgoing documents provide the legal basis for the enforceable obligation that required the transfer.

For Items 25-26 and 28-30, we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. Per Successor Agency the forgoing documents provide the legal basis for the enforceable obligation that required the transfer.

For Item 36 we were provided by the Successor Agency, the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs, dated 3/8/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order between County of Santa Cruz and Lewis Tree Service*, dated 3/11/11 and renewed 7/19/11 for fiscal year 2011/12.

For Item 37 we were provided by the Successor Agency, the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order between County of Santa Cruz and Christopher D. Kerr*, dated 3/11/11 and renewed 7/19/11 for fiscal year 2011/12.

For Item 38 we were provided by the Successor Agency, the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order between County of Santa Cruz and Mark Munz*, dated 3/11/11 and renewed 7/19/11 for fiscal year 2011/12.

For Item 39 we were provided by the Successor Agency, the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order between County of Santa Cruz and Linda Norwood*, dated 11/19/10 and renewed 7/18/11 for fiscal year 2011/12.

Item 40 we were provided by the Successor Agency, the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, a portion of the noted cash asset was expended for goods and services per the Cooperation Agreement prior to its invalidation and a portion of the noted cash asset was used by The County of Santa Cruz to pay an enforceable obligation per the Recognized Obligation Payment Schedule of the Successor Agency for the period 1/1/12-6/30/12 (ROPS I) Page 3 of 3, line 5. We were provided by the Successor Agency the ROPS I schedule.

For Item 41 we were provided by the Successor Agency, the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order between the County of Santa Cruz and Chris Wilson Plumbing and Heating Repair, Inc.*, dated 6/16/11 and renewed 7/18/11 for fiscal year 2011/12.

For Item 42 we were provided by the Successor Agency, the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order between the County of Santa Cruz and Chris Wilson Plumbing and Heating Repair, Inc.*, dated 6/16/11.

For Items 43-44 we were provided by the Successor Agency, the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement between the County of Santa Cruz and Randazzo Enterprises, Inc.*, dated 6/14/11. We were also provided the *County of Santa Cruz Request for Approval of Agreement*, dated 6/14/11.

For Item 45-46 we were provided by the Successor Agency, the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Chris Wortman Excavation* dated 6/14/11. We were also provided the County of Santa Cruz Request for Approval of Agreement dated 6/14/11.

For Items 47-48 and 52-53 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz, dated 2/15/12, and the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11. Per Successor Agency these Agreements were invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Knowlton Construction*, dated 6/14/11 and the *Request for Approval of Agreement*, dated 6/14/11.

For Item 49 we were provided by the Successor Agency, the Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per Successor Agency, a portion of the noted cash asset was expended for goods and services per the Property Management Cooperation Agreement prior to its invalidation, and a portion of the noted cash asset was returned to the Redevelopment Successor Agency. We were provided by the Successor Agency the Journal Entry J550475, dated 9/1/11. Per Successor Agency, the forgoing documents provide the legal basis for the enforceable obligation that required the transfer.

For Item 50 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per Successor Agency, a portion of the noted cash asset was expended for goods and services per the Cooperation Agreement prior to its invalidation, and a portion of the noted cash asset was returned to the Redevelopment Successor Agency. We were provided by the Successor Agency the Journal Entry J550475, dated 9/1/11. Per Successor Agency the forgoing documents provide the legal basis for the enforceable obligation that required the transfer.

For Item 51 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an agreement. We were provided by the Successor Agency the *Arana Gulch Path Improvement Agreement Between the County of Santa Cruz and the City of Santa Cruz*, dated 6/16/11.

For Item 54 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, a portion of the noted cash asset was expended for goods and services per the Cooperation Agreement prior to its invalidation, a portion of the noted cash asset was returned to the Redevelopment Successor Agency, and a portion of the noted cash asset was used by The County of Santa Cruz to pay an enforceable obligation per the Recognized Obligation Payment Schedule of the Successor Agency for the period 1/1/12-6/30/12 (ROPS I Page 3 of 3, line 2). We were provided by the Successor Agency the Journal Entry J550475, dated 9/1/11, and the ROPS I.

For Item 55 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Smart Enclosure, LLC*, dated 6/14/11.

For Item 56 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Western Water Features, Inc.*, dated 6/14/11.

Item 57 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per Successor Agency, a portion of the noted cash asset was expended for goods and services per the Cooperation Agreement prior to its invalidation and a portion of the noted cash asset was returned to the RDA Successor Agency on 9/1/11. We were provided by the Successor Agency Journal Entry JS50475 dated 9/1/11.

For Items 58-61 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Agreement. We were provided by the Successor Agency the *Agreement Between the County of Santa Cruz and John Cahalan Landscape Architect.* dated 11/15/05 and amended, 3/27/07, 6/23/09 and 3/8/11.

For Item 62 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Agreement. We were provided by the Successor Agency the *Agreement Between the County of Santa Cruz and Elite Landscaping, Inc.*, dated 9/14/10.

For Item 63 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Haro Kasunich & Associates*, dated 12/7/10.

For Items 64 and 70 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash assets were contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order Between the County of Santa Cruz and Professional Services Industries, Inc.*, dated 7/21/11.

For Item 65 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, a portion of the noted cash asset was expended for goods and services per the Cooperation Agreement prior to its invalidation, a portion of the noted cash asset was returned to the Redevelopment Successor Agency, and a portion was contractually committed by The County of Santa Cruz to pay an enforceable obligation per the Recognized Obligation Payment Schedule of the Successor Agency for the period July 1, 2012 to December 31, 2012 (ROPS II, Form B, line 10). We were provided by the Successor Agency journal entry JT51090, dated 11/6/12, the *Agreement Between the County of Santa Cruz and Elite Landscaping, Inc.*, dated 9/14/10, and the ROPS II for the period 7/1/12-12/31/12.

For Items 66 and 67 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Whitson and Associates*, dated 6/21/11 and the *Request for Approval of Agreement*, dated 6/21/11.

For Items 68 and 69 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Quality Landscape Service Inc.*, dated 6/28/11, the *Request for Approval of Agreement*, dated 6/28/11, and the *Independent Contractor Agreement Between the County of Santa County of Santa Cruz Redevelopment Agency and Granite Rock Company (dba Pavex Construction)*, dated 5/24/11.

For Item 71 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order for work required for the implementation of the *Independent Contractor Agreement Between the County of Santa County of Santa Cruz Redevelopment Agency and Granite Rock Company (dba Pavex Construction)*, dated 5/24/11. We were provided by the Successor Agency the *Purchase Order Between the County of Santa Cruz and Sanders & Associates Geostructural Engineering*, dated 7/14/11.

For Items 72, 82, 89, 97, 103 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, portions of the noted cash assets were expended for goods and services per the Cooperation Agreement prior to its invalidation. Per Successor Agency the forgoing documents provide the legal basis for the enforceable obligation that required the transfer.

For Items 73, 90, and 91 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Public Improvements Development Agreement. We were provided by the Successor Agency the *Public Works Agreement Between the County of Santa Cruz and Vanir Construction Management, Inc.*, dated 6/28/11.

For Item 74 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Contract Agreement. We were provided by the Successor Agency the *Contract Agreement Between the County of Santa Cruz and The Don Chapin Co. Inc.*, dated 3/3/11.

For Item 75 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, a portion of the noted cash asset was expended for goods and services incurred per the Cooperation Agreement prior to its invalidation, and a portion of the noted cash asset was used by The County of Santa Cruz to fund an enforceable obligation per the Recognized Obligation Payment Schedule of the Successor Agency for the period 1/1/12-6/30/12 (ROPS I, Page 3 of 3, line 2). We were provided by the Successor Agency the ROPS I.

For Item 76 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Fehr and Peers Transportation Consultants*, dated 6/14/11.

For Item 77 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order Between County of Santa Cruz and Santa Cruz Metro Transit District*, dated 6/17/11.

For Item 78 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order Between County of Santa Cruz and Santa Cruz County Regional Transportation Commission*, dated 6/17/11.

Item 79 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, a portion of the noted cash asset was expended for goods and services per the Cooperation Agreement prior to its invalidation, and a portion of the noted cash asset was used by The County of Santa Cruz to fund an enforceable obligation per the Recognized Obligation Payment Schedule of the Successor Agency for the period 1/1/12-6/30/12 (ROPS I, Page 3 of 3, line 2). We were provided by the Successor Agency the ROPS I.

For Item 80 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order Between County of Santa Cruz and F&F Georesource Associates* dated 3/29/11 and renewed 7/5/11 for fiscal year 2011/12.

For Item 81 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Purchase Order. We were provided by the Successor Agency the *Purchase Order Between County of Santa Cruz and Sanders & Associates*, dated 3/29/11, and renewed 7/5/11, for fiscal year 2011/12.

For Items 83-86 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Contract Agreement. We were provided by the Successor Agency the *Contract Between the County of Santa Cruz and Pavex Construction*, dated 7/15/10, the related *Change Order*, dated 1/24/12 as well as the related *Requests for Approval of Agreement*, dated 6/22/10 and 1/24/12.

For Items 87-88 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Back to Eden Landscape and Maintenance*, dated 6/28/11 as well as the related *Request for Approval of Agreement*, dated 6/28/11 and the *Contract Between the County of Santa County of Santa Cruz and Pavex Construction*, dated 7/15/10.

For Item 92-93, 99 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Real Property and Purchase and Sale Agreement. We were provided by the Successor Agency the *Real Property and Purchase and Sale Agreement By and Between County of Santa Cruz and Green Valley Corporation (dba Barry Swenson Builder)*, dated 6/20/11.

Item 94 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Agreement. We were provided by the Successor Agency the *Psychiatric Health Facility Funding Agreement By and Between the County of Santa Cruz and Catholic Healthcare West*, dated 6/17/11, and the *Amendment to Psychiatric Health Facility Funding Agreement By and Between the County of Santa Cruz and Catholic Healthcare West*, dated 6/20/11.

Item 95 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Agreement. We were provided by the Successor Agency *Amendment # 1 to the Agreement Between the County of Santa Cruz and Health Improvement Partnership of Santa Cruz County*, dated 3/22/11.

Item 96 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency *Amendment # 1 to the Agreement Between the County of Santa Cruz Health Service Agency and Pacific Design Group*, dated 2/28/11.

Item 98 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Youth Center Agreement. We were provided by the Successor Agency the *Youth Center Agreement Between the County of Santa Cruz and Live Oak School District*, dated 6/27/11.

Item 100 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency, item was returned to the RDA Successor Agency on 5/13/11. We were provided by the Successor Agency Journal Entry JR53888, dated 5/13/11.

For Item 101 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency, item was returned to the RDA Successor Agency on 6/9/11. We were provided by the Successor Agency Journal Entry JR54398, dated 6/9/11.

For Item 102 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency, item was returned to the RDA Successor Agency on 5/13/11. We were provided by the Successor Agency Journal Entry JR53889, dated 5/13/11.

For Item 104 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, a portion of the noted cash asset was expended for goods and services per the Cooperation Agreement prior to its invalidation, and a portion of the noted cash asset was returned to the RDA Successor Agency on 9/1/11. We were provided by the Successor Agency Journal Entry JS50475, dated 9/1/11.

For Items 106,111,112 and 116 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted asset was contractually committed by The County of Santa Cruz in a Residential Purchase Agreement. We were provided by the Successor Agency the *California Residential Purchase Agreement and Joint Escrow Instruction Between the County of Santa Cruz and Habitat for Humanity Santa Cruz*, dated 6/20/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Items 107,113,114 and 117 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted asset was contractually committed by The County of Santa Cruz in a Residential Purchase Agreement. We were provided by the Successor Agency the *California Residential Purchase Agreement and Joint Escrow Instruction Between the County of Santa Cruz and CFSC*, dated 6/20/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Items 108-110 and 115 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted asset was contractually committed by The County of Santa Cruz in a Lease Agreement. We were provided by the Successor Agency the *Lease Agreement Between the Redevelopment Agency of the County of Santa Cruz and Community Action Board of Santa Cruz, Inc./ Gemma*, dated 6/26/07, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 118 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Community Action Board, Inc.*, dated 6/20/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 119 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Rutan and Tucker, LLP*, dated 7/1/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 120 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Housing Authority of the County of Santa Cruz* dated 6/20/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 121 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Families in Transition*, dated 6/20/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 122 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Santa Cruz Community Counseling Center*, signed 6/20/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Items 123-124 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Front Street Housing, Inc.*, dated 6/20/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 125 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and United Way of Santa Cruz*, dated 6/20/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 126 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Housing Authority of the County of Santa Cruz*, dated 6/22/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 127 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Affordable Housing Agreement. We were provided by the Successor Agency the *Affordable Housing Agreement Between the County of Santa Cruz and Mid-Peninsula the Farm, Inc., (Aptos Blue Affordable Housing Agreement)*, dated 6/22/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 128 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Affordable Housing Agreement. We were provided by the Successor Agency the *Affordable Housing Agreement by and between County of Santa Cruz and Mid-Peninsula The Farm, Inc. (Atkinson Lane Affordable Housing Project)*, dated 6/22/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 129 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by Californian Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Affordable Housing Agreement. We were provided by the Successor Agency the *Affordable Housing Agreement by and between County of Santa Cruz and Midpen Housing Corporation (St. Stephens Affordable Housing Project)*, dated 6/22/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 130 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency the noted cash asset was contractually committed by The County of Santa Cruz to fund an affordable housing agreement. We were provided by the Successor Agency the *Affordable Housing Agreement by and between County of Santa Cruz and South County Housing Corporation*, dated 6/21/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 131 we were provided by the Successor Agency the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an affordable housing agreement. We were provided by the Successor Agency the *Affordable Housing Agreement by and Between County of Santa Cruz and CFSC, Inc. (Harper Street Affordable Housing Development)*, dated 6/22/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 132 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a grant agreement. We were provided by the Successor Agency the *Grant Agreement by and Between County of Santa Cruz and Habitat for Humanity Santa Cruz County*, dated 6/20/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 133 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund a Settlement Agreement. We were provided by the Successor Agency the *Settlement Agreement Between the County of Santa Cruz and Save Our Seacliff*, dated 6/22/11, as well as the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12. Per Successor Agency, the transfer of the item was acknowledged and confirmed by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency Resolution No. 5-2012OB, dated 6/27/12, and no review of said Oversight Board action was requested by the California Department of Finance.

For Item 134 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Per Successor Agency this Agreement was invalidated 2/1/12 by California Assembly Bill ABX1 26. However, per the Successor Agency, the noted cash asset was contractually committed by The County of Santa Cruz to fund an Independent Contractor Agreement. We were provided by the Successor Agency the *Independent Contractor Agreement Between the County of Santa Cruz and Keyser Marsten*, dated 6/20/11. In the opinion of the Successor Agency this agreement and Assembly Bill 1484, as approved by the Governor on June 27, 2012, Section 9 of the Health and Safety Code Section 34176(a)(1) is the legal basis for the transfer.

For Item 135 we were provided by the Successor Agency, the Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and in the opinion of the Successor Agency this agreement and Assembly Bill 1484, as approved by the Governor on June 27, 2012, Section 9 of the Health and Safety Code Section 34176(a)(1) is the legal basis for the transfer.

For the transfers made for the period from February 1, 2012 through June 30, 2012 (Exhibit 2B-01).

For items 1 – 117, in the opinion of the Successor Agency, Assembly Bill 1484, as approved by the Governor on June 27, 2012, Section 9 of the Health and Safety Code Section 34176(a)(1) is the legal basis for the transfers. Additional support for selected items is noted below.

For items 89-117, please see items 106-133 (Exhibit 2A-01) and in our Results/Findings for items transferred between 1/1/11 and 1/31/12 on pages 13 to 17, herein. Per Successor Agency, these items are included in both Exhibits 2A-01 and 2B-01 as the item was originally transferred prior to 2/1/12 and then the transfer was confirmed by the Oversight Board on 6/27/12.

Citation:

Section 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.

Procedure 3:

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

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Results/Findings:**Procedure 3A:**

Per Successor Agency, there were no 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.

Procedure 3B:

Per Successor Agency, there were no transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or to private parties for the period from February 1, 2012 through June 30, 2012.

Procedure 3C:

Not applicable.

Citation:

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

Procedure 4:

- 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.

Results/Findings:

See Exhibit 4-01 for the summary of the financial transactions of the Redevelopment Agency and the Successor Agency for fiscal periods 2010-2012.

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

We compared 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 without exception.

We compared amounts in the schedule relevant to the fiscal year ended June 30, 2011 to the Basic Financial Statement and Independent Auditors' Reports for the Redevelopment Agency for that period without exception.

We compared amounts in the schedule relevant to the seven months ended January 31, 2012 to the accounting records for the Redevelopment Agency for that period without exception.

We compared amounts in the schedule relevant to the five months ended June 30, 2012 to the accounting records for the Successor Agency for that period without exception.

Citation:

Section 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.*

Procedure 5:

Obtain from the Successor Agency a listing of all assets of All Other Funds Combined (Excluding Low and Moderate Income Housing Fund) as of June 30, 2012 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 only include those assets of the Low and Moderate Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Results/Findings:

See Exhibit 5-01 for a listing of all assets of All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund) as of June 30, 2012. No exceptions were noted.

Citation:

Section 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.

Procedure 6:

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

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

- C. Other assets considered to be legally restricted:
- i) 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 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.
- D. Attach the above mentioned Successor Agency prepared schedule (s) as an exhibit to the AUP in 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/Findings:

Procedure 6A

See Exhibit 6A-01 for the listing of asset balances held on June 30, 2012 that are restricted for the purpose of unspent bond proceeds.

We agreed the individual components of this listing for Items 1-3 to related account balances in the accounting records noting no exceptions.

Items 4-5 were not in the accounting records. Per Successor Agency, these are assets that were transferred from the Redevelopment Agency to the County between 1/1/11 and 1/31/12, and were either not encumbered in third party agreements by 6/28/11 or encumbered in third party agreements by 6/28/11, but became unencumbered by 6/30/12. Per Exhibit 2A, these amounts are to be returned from the County to the Successor Agency, but were not part of the Successor Agency's assets as of 6/30/12.

Per Successor Agency the balances for Items 1-5 are restricted due to Indenture of Trusts.

For Item 1 we were provided the following:

Indenture of Trust dated 8/1/2000 between BNY Western Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 10/1/2000 between BNY Western Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 8/1/2003 between BNY Western Trust and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 10/1/2005 between the Bank of New York Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 4/1/2007 between The Bank of New York Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 10/1/2007 between The Bank of New York Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 1/1/2009 with The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 6/1/2010 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 2/1/2011 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

For Item 2 we were provided the following:

Indenture of Trust dated 10/1/2005 between the Bank of New York Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 1/1/2009 with The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 2/1/2011 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

For Item 3 we were provided the following:

Indenture of Trust dated 10/1/2000 between BNY Western Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 10/1/2005 between the Bank of New York Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 6/1/2010 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 2/1/2011 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

For Item 4 we were provided the following:

Indenture of Trust dated 10/1/2005 between the Bank of New York Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 1/1/2009 with The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 2/1/2011 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

For Item 5 we were provided the following:

Indenture of Trust dated 10/1/2000 between BNY Western Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 10/1/2005 between the Bank of New York Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 6/1/2010 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 2/1/2011 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Procedure 6B

Per Successor Agency, there are no asset balances held on June 30, 2012 that are restricted because the assets were from grant proceeds or program income that are restricted by third parties.

Procedure 6C

See Exhibit 6C-01 for the listing of asset balances held on June 30, 2012 that are considered restricted, per the Successor Agency, for the following purpose: other assets considered to be legally restricted. We agreed the individual components of this listing to related account balances in the accounting records noting no exceptions.

For Item 1 we were provided by the Successor Agency, the Trial Balance Detail Inquiry Report noting the payable. In the opinion of the Successor Agency, this documentation forms the basis for the restricting of these assets.

For Item 2 we were provided by the Successor Agency, the Trial Balance Detail Inquiry Report noting the Pay Period 14 accrual. In the opinion of the Successor Agency, this documentation forms the basis for the restricting of these assets.

For Items 3-4 we were provided by the Successor Agency, the Trial Balance Detail Inquiry Report noting the stale dated warrants (outstanding checks dated over six months past that have not yet been cashed). In the opinion of the Successor Agency, this documentation forms the basis for the restricting of these assets.

For Item 5 we were provided by the Successor Agency, the Actual Transactions Report for All Accruals for the 5 months ended 6/30/12, and noted the "Due to amount". In the opinion of the Successor Agency, this documentation forms the basis for the restricting of these assets.

Citation:

Section 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.

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

Results/Findings:**Procedure 7A**

See Exhibit 7-01 for a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution.

Procedure 7B

We agreed the assets listed, which were at purchase cost, to previously audited financial statements of the Santa Cruz Redevelopment Agency for the year ended June 30, 2011. No exceptions were noted.

Procedure 7C-7D

Not applicable. See results findings of procedure 7B.

Citation:

Section 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 balances are insufficient to fund future obligations and thus retention of current balance 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.

Procedure 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 balance 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.
 - ii) Compare the forecasted annual spending requirements to the legal document supporting each the enforceable obligation.
 - iii) 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.

- iv) For the forecasted annual revenues:
 - v) Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
 - vi) 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.
 - vii) Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - vii) Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - ix) Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i) Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii) Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii) Include the calculation in the AUP report.

Results/Findings:

Procedure 8A

See Exhibit 8A-01 for the itemized schedule of asset balances (resources) as of June 30, 2012, per Successor Agency that are dedicated or restricted for the funding of enforceable obligations.

We agreed the total of the amount of enforceable obligations to the amounts reported in the accounting records with the following exception:

Total amount of enforceable obligations per schedule (Exhibit 8-01) as of June 30, 2012	\$ 1,132,305
Accounting Records of Successor Agency as of June 30, 2012	\$ 1,700,727
Difference	\$ 568,422



Per Successor Agency, the \$568,422 difference represents unencumbered cash that is in the same cash account as the restricted cash.

We compared the specified enforceable obligations to those that were included in the ROPS for the period January 1, 2012 through June 30, 2012 that were approved by the California Department of Finance. No exceptions were noted.

For the itemized schedule of asset balances as of June 30, 2012 that are restricted for the funding of enforceable obligations (Exhibit 8A-01) we were provided by the Successor Agency the following documents:

Item-1-Indenture of Trust dated 8/1/2000 between BNY Western Trust Company and County of Santa Cruz Redevelopment Agency.

Item 2-Indenture of Trust dated 10/1/2000 between BNY Western Trust Company and County of Santa Cruz Redevelopment Agency.

Item 3- Indenture of Trust dated 8/1/2000 between BNY Western Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 10/1/2000 between BNY Western Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 8/1/2003 between BNY Western Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 10/1/2005 between the Bank of New York Trust Company and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 4/1/2007 between The Bank of New York Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 10/1/2007 between The Bank of New York Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 1/1/2009 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 6/1/2010 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

Indenture of Trust dated 2/1/2011 between The Bank of New York Mellon Trust Company, N.A. and County of Santa Cruz Redevelopment Agency.

In the opinion of the Successor Agency, Paragraph 4.02 of each of the above referenced documents, for Items 1-3, forms the legal basis of the appropriate restricting language associated with the enforceable obligation.

Item 4-Independent Contractor Agreement between Santa Cruz County Redevelopment Agency and Rutan and Tucker, dated 7/1/05 and amended 6/23/11 and the related Request for Approval, dated 6/27/11.

Procedure 8B

The procedure is not applicable. The Successor Agency does not believe that future revenues plus current balances are insufficient to fund future obligation payments.

Procedure 8C

The procedure is not applicable. The Successor Agency does not believe that future revenues plus current balances are insufficient to fund bond debt service payments.

Procedure 8D

The calculation of the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations is as follows:

Identified current dedicated or restricted balances	\$ 1,132,305
Forecasted annual revenues	-----
Total resources available to fund enforceable obligations	\$ 1,132,305
Forecasted annual spending requirements	<u>1,132,305</u>
Amount of current unrestricted balances necessary for retention	<u>\$ -----</u>

Section 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.

Procedure 9:

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

Results/Findings:

See Exhibit 9-01 for the listing of cash balances as of June 30, 2012 that 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.

Citation:

Section 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 authorities 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.

Procedure 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/Findings:

See attached Exhibit 10-01 for the schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

We agreed the amount of the deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012, per Exhibit 10-01, to the Accounting Records of the Successor Agency. No exceptions were noted.

Procedure 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 acknowledgement 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 period from January 1, 2011 through June 30, 2012 that may not have 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/Findings:

Said management representation letter was received. No exceptions noted.

Exhibit 1-01: Listing of all assets that were transferred from the Santa Cruz County Redevelopment Agency (Disolved Agency) to the County of Santa Cruz on February 1, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Date of Transfer from RDA to Successor Agency	Funding source
1	Real property	recorded affordability restriction	HSC 34176(e)(1)	2627 Mattison Lane, Santa Cruz	unknown	2/1/2012	612200
2	Real property	right of 1st refusal	HSC 34176(e)(1)	3352 Ashwood Way, Soquel	unknown	2/1/2012	612200
3	Real property	right of 1st refusal	HSC 34176(e)(1)	3201 Ashwood Way, Soquel	unknown	2/1/2012	612200
4	Real property	right of 1st refusal	HSC 34176(e)(1)	3181 Birchwood Lane, Soquel	unknown	2/1/2012	612200
5	Real property	right of 1st refusal	HSC 34176(e)(1)	3362 Ashwood Way, Soquel	unknown	2/1/2012	612200
6	Real property	right of 1st refusal	HSC 34176(e)(1)	3271 Birchwood Lane, Soquel	unknown	2/1/2012	612200
7	Real property	right of 1st refusal	HSC 34176(e)(1)	3371 Ashwood Lane, Soquel	unknown	2/1/2012	612200
8	Real property	right of 1st refusal	HSC 34176(e)(1)	3276 Ashwood Lane, Soquel	unknown	2/1/2012	612200
9	Real property	right of 1st refusal	HSC 34176(e)(1)	3331 Ashwood Lane, Soquel	unknown	2/1/2012	612200
10	Real property	right of 1st refusal	HSC 34176(e)(1)	3259 Ashwood Lane, Soquel	unknown	2/1/2012	612200
11	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #55, Santa Cruz	unknown	2/1/2012	612200
12	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #45, Santa Cruz	unknown	2/1/2012	612200
13	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #73, Santa Cruz	unknown	2/1/2012	612200
14	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #18, Santa Cruz	unknown	2/1/2012	612200
15	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #12, Santa Cruz	unknown	2/1/2012	612200
16	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #57, Santa Cruz	unknown	2/1/2012	612200
17	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #64, Santa Cruz	unknown	2/1/2012	612200
18	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #37, Santa Cruz	unknown	2/1/2012	612200
19	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #63, Santa Cruz	unknown	2/1/2012	612200
20	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #89, Santa Cruz	unknown	2/1/2012	612200
21	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #80, Santa Cruz	unknown	2/1/2012	612200

Exhibit 1-01: Listing of all assets that were transferred from the Santa Cruz County Redevelopment Agency (Disolved Agency) to the County of Santa Cruz on February 1, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Date of Transfer from RDA to Successor Agency	Funding source
22	Real property	recorded affordability restriction	HSC 34176(e)(1)	80 Sears Circle, Soquel	unknown	2/1/2012	612200
23	Real property	recorded affordability restriction	HSC 34176(e)(1)	23 Whiteman Ave, Watsonville	unknown	2/1/2012	612200
24	Loan #		HSC 34176(e)(3)	Minto Affordable Housing Project	8,013,963	2/1/2012	612200
25	Loan #		HSC 34176(e)(3)	Casa Linda Affordable Housing Project	40,940	2/1/2012	612200
26	Loan #		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	348,666	2/1/2012	612200
27	Loan #		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	95,236	2/1/2012	612200
28	Loan #		HSC 34176(e)(3)	Vista Verde Affordable Housing Project	165,000	2/1/2012	612200
29	Loan #		HSC 34176(e)(3)	Vista Verde Affordable Housing Project	50,000	2/1/2012	612200
30	Loan #		HSC 34176(e)(3)	Sorrento Oaks MHP Affordable Housing Project	10,000	2/1/2012	612200
31	Loan #		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	10,998	2/1/2012	612200
32	Loan #		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	13,659	2/1/2012	612200
33	Loan #		HSC 34176(e)(3)	Pleasant Acres MHP Affordable Housing Project	1,322,237	2/1/2012	612200
34	Loan #		HSC 34176(e)(3)	First Time Home Buyer Loan Program	14,242	2/1/2012	612200
35	Loan #		HSC 34176(e)(3)	First Time Home Buyer Loan Program	28,950	2/1/2012	612200
36	Loan #		HSC 34176(e)(3)	First Time Home Buyer Loan Program	26,250	2/1/2012	612200

Exhibit 1-01: Listing of all assets that were transferred from the Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz on February 1, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Date of Transfer from RDA to Successor Agency	Funding source
37	Loan # 06FTH-92*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	20,250	2/1/2012	612200
38	Loan # 07FTH-95*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	50,000	2/1/2012	612200
39	Loan # 07FTH-96*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	52,000	2/1/2012	612200
40	Loan # 07FTH-98*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	49,500	2/1/2012	612200
41	Loan # 07FTH-94*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	29,000	2/1/2012	612200
42	Loan # 07FTH-93*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	70,000	2/1/2012	612200
43	Loan # 07CA-PAC1		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	35,000	2/1/2012	612200
44	Loan # 07CA-PAC2		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	33,850	2/1/2012	612200
45	Loan # 08CA-PAC4		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	44,500	2/1/2012	612200
46	Loan # 08CA-PAC5		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	38,450	2/1/2012	612200
47	Loan # 08CA-PA2		HSC 34176(e)(3)	Pleasant Acres MHP Affordable Housing Project	66,150	2/1/2012	612200
48	Loan # 08CA-PA3		HSC 34176(e)(3)	Pleasant Acres MHP Affordable Housing Project	58,725	2/1/2012	612200
49	Loan # 09CA-PAC7		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	110,140	2/1/2012	612200
50	Loan # 06HP-GT1*		HSC 34176(e)(3)	Golden Torch Affordable Housing Project	129,812	2/1/2012	612200
51	Loan # 06HP-GT2*		HSC 34176(e)(3)	Golden Torch Affordable Housing Project	588,775	2/1/2012	612200
52	Loan # 06HP-GT3*		HSC 34176(e)(3)	Golden Torch Affordable Housing Project	577,652	2/1/2012	612200
53	Loan # 08HP-PA3*		HSC 34176(e)(3)	Pleasant Acres MHP Affordable Housing Project	2,190,215	2/1/2012	612200
54	Loan # 08HP-MC11*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	80,000	2/1/2012	612200
55	Loan # 09HP-PAC5*		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	1,930,000	2/1/2012	612200
56	Loan # 09HP-PAC6*		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	350,749	2/1/2012	612200
57	Loan # 10HP-MAR5*		HSC 34176(e)(3)	Marmo's Affordable Housing Project	142,323	2/1/2012	612200
58	Loan # 10MH-59		HSC 34176(e)(3)	Mobile Home Rehabilitation Program	23,069	2/1/2012	612200

Exhibit 1-01: Listing of all assets that were transferred from the Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz on February 1, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Date of Transfer from RDA to Successor Agency	Funding source
59	Loan # 08HP-PAC4*		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	692,565	2/1/2012	612200
60	Loan # 10HP-AC1*		HSC 34176(e)(3)	Aptos Cottages Affordable Housing Project	3,150,000	2/1/2012	612200
61	Loan # 11HP-ST51		HSC 34176(e)(3)	St. Stephens Affordable Housing Project	92,216	2/1/2012	612200
62	Loan # 99HP-VIS4*		HSC 34176(e)(3)	Vista Verde Affordable Housing Project	950,000	2/1/2012	612200
63	Loan # 00HP-SAN1*		HSC 34176(e)(3)	San Andreas Affordable Housing Project	700,000	2/1/2012	612200
64	Loan #06HP-2MG1*		HSC 34176(e)(3)	Canterbury Affordable Housing Project	1,900,373	2/1/2012	612200
65	Loan #10HP-2MG4*		HSC 34176(e)(3)	Canterbury Affordable Housing Project	385,000	2/1/2012	612200
66	Loan #09HP-2MG3*		HSC 34176(e)(3)	Canterbury Affordable Housing Project	658,390	2/1/2012	612200
67	Loan # 06PD-FEL1		HSC 34176(e)(3)	Felton site Affordable Housing Project	200,000	2/1/2012	612200
68	Loan # 07PD-FEL2		HSC 34176(e)(3)	Felton site Affordable Housing Project	496,710	2/1/2012	612200
69	Loan # 09HP-FEL3		HSC 34176(e)(3)	Felton site Affordable Housing Project	971,153	2/1/2012	612200
70	Grant # 92HP-WOO*		HSC 34176(e)(3)	VOA Affordable Housing Project Jardines del Valle Affordable Housing Project	275,000	2/1/2012	612200
71	Grant # 95HP-MUR1*		HSC 34176(e)(3)	Jardines del Valle Affordable Housing Project	300,783	2/1/2012	612200
72	Grant # 96HP-MUR3*		HSC 34176(e)(3)	Jardines del Valle Affordable Housing Project	175,000	2/1/2012	612200
73	Grant # 98HP-ATL2*		HSC 34176(e)(3)	Above the Line Affordable Housing Project	651,927	2/1/2012	612200
74	Grant # 99HP-MC13*		HSC 34176(e)(3)	Osoceles MHP Affordable Housing Project	406,732	2/1/2012	612200
75	Grant # 99HP-VIS5*		HSC 34176(e)(3)	Vista Verde Affordable Housing Project	1,065,000	2/1/2012	612200
76	Grant # 00HP-SAN2*		HSC 34176(e)(3)	San Andreas Affordable Housing Project	694,596	2/1/2012	612200
77	Grant # 03HP-PAJ6*		HSC 34176(e)(3)	Corralitos Creek Affordable Housing Project	1,325,000	2/1/2012	612200
78	Grant # 02HP-MON1*		HSC 34176(e)(3)	Monarch Affordable Housing Project	76,534	2/1/2012	612200
79	Grant # 02HP-MAR1*		HSC 34176(e)(3)	Marmo's Affordable Housing Project	1,500,000	2/1/2012	612200
80	Grant # 05HP-MCG3*		HSC 34176(e)(3)	Seacliff Highlands Affordable Housing Project	1,611,450	2/1/2012	612200

Exhibit 1-01: Listing of all assets that were transferred from the Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz on February 1, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Date of Transfer from RDA to Successor Agency	Funding source
81	Grant # 05HP-LAC*		HSC 34176(e)(3)	Lagoon Beach Affordable Housing Project	92,000	2/1/2012	612200
82	Grant # 05HP-MC16*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	50,000	2/1/2012	612200
83	Grant # 05HP-MAR4*		HSC 34176(e)(3)	Marmo's Affordable Housing Project	500,000	2/1/2012	612200
84	Grant # 06HP-WHE1*		HSC 34176(e)(3)	Wheelock Affordable Housing Project	1,125,000	2/1/2012	612200
85	Grant # 08HP-MC18*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	84,500	2/1/2012	612200
86	Grant # 07HP-WHE2*		HSC 34176(e)(3)	Wheelock Affordable Housing Project	150,271	2/1/2012	612200
87	Grant # 08HP-MC110*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	90,000	2/1/2012	612200
88	Grant # 10HP-AH1* Trustee: Bank of New York Mellon		HSC 34176(e)(3)	Anderson House Affordable Housing Project	193,698	2/1/2012	612200
89	Cash	Fund Debt Service		Cash restricted for bond debt service	20,014,154	2/1/2012	BNY
90	Cash	Fund 32-121		Cash in County Treasury	1,532,602	2/1/2012	136110
91	Cash	Fund 27-010		Cash in County Treasury	343,647	2/1/2012	610110
92	Due from other Funds	Fund 27-010		Cash Due from other Funds (from Fund 32-121)	31,829	2/1/2012	610110
93	Cash	Fund 27-015		Cash in County Treasury	522	2/1/2012	610115
94	Cash	Fund 28		Cash in County Treasury	2,739,721	2/1/2012	611100
95	Cash	Fund 29		Cash in County Treasury	410,042	2/1/2012	612200
96	Cash	Fund 72-586		Cash in County Treasury Restricted for Maintenance/Repairs of 522 Capitola Rd, Item #92, Proc. 2B List	29,290	2/1/2012	072586
97	Office Equipment	Fund 27-010		Miscellaneous office equipment	6,431	2/1/2012	610110
98	Building structures-offices	Fund 27-010		Asset #200082199A Building structures-offices	9,878	2/1/2012	610110
Total					\$62,492,315		

Note "x" Items with an asterisk after the loan/grant number also have affordability restrictions on the property with which the loan/grant is associated.

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post-1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
1	Real property	ownership		APN 025-084-28 #1002607117 Commercial Way, Soquel	\$100,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047788.	\$100,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
2	Real property	ownership		APN 026-741-12 #1002619340 1412 Capitola Road, Santa Cruz	\$454,936	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047784.	\$454,936	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
3	Real property	ownership		APN 026-741-13 #1002619341 1438 Capitola Rd, Santa Cruz	\$421,005	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047785.	\$421,005	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
4	Real property	ownership		APN 026-741-14 #1002619342 1500 Capitola Rd, Santa Cruz	\$411,495	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047786.	\$411,495	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
5	Real property	ownership		APN 026-741-15 #1002619343 1514 Capitola Rd, Santa Cruz	\$400,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047787.	\$400,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
6	Real property	ownership		APN 026-261-13 #1002626113 855 7th Avenue, Santa Cruz	\$803,495	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047782.	\$803,495	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
7	Real property	ownership		APN 026-261-16 #1002626116 901 7th Avenue, Santa Cruz	\$5,870,779	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047783.	\$5,870,779	n/a	n/a	n/a	n/a	n/a	n/a	n/a		

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
8	Real property	ownership		APN 028-281-17 #1002826117 905 7th Avenue, Santa Cruz	\$735,714	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047763.	\$735,714	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
9	Real property	ownership		APN 028-302-04 #1002830204 40 Moran Way, Santa Cruz	\$1,601,921	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047775.	\$1,601,921	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
10	Real property	ownership		APN 029-071-38 #1002907138 1965-1975-1985 Chanticleer, Santa Cruz	\$901,708	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047776.	\$901,708	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
11	Real property	ownership		APN 029-071-68 #1002907168 1925 Chanticleer, Santa Cruz	\$1,787,075	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047777.	\$1,787,075	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
12	Real property	ownership		APN 028-101-43 #1002810142 1740 17th Ave, Santa Cruz	\$738,166	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Memorandum of Understanding for the Development of the Live Oak Resource Center, dated 3/30/07, between County of Santa Cruz and Live Oak Community Center and Opening Doors Fund Joint Venture, dated 3/8/11.	\$5,533,491	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
13	Real property	ownership		APN 030-071-08 #1003007108 Public Parking Lot, Soquel	\$219,689	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047792.	\$219,689	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
14	Real property	ownership		APN 030-142-18 #1003014118 Daubenbiss Public Parking Lot, Soquel	\$20,097	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047771.	\$20,097	n/a	n/a	n/a	n/a	n/a	n/a	n/a		

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement By 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balances as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
15	Real property	ownership		APN 030-142-32 #1030014232 Daubenbiss Public Parking Lot, Soquel	\$90,414	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047772.	\$90,414	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
16	Real property	ownership		APN 030-153-10 #1003016310 Ashe Property-0 Porter St, Soquel	\$146,128	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047781.	\$146,128	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
17	Real property	ownership		APN 032-251-07 #1003225107 south side of East Cliff Dr between 37th Ave/Manzanita, Santa Cruz	\$121,078	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047778.	\$121,078	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
18	Real property	ownership		APN 030-341-10 #103001124C north side of Soquel Dr, east of 41st Ave	\$238,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and Contract of Sale between the County of Santa Cruz and Soquel Creek Water District dated 8/17/11.	\$238,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
19	Real property	ownership		APN 030-081-17 #103008117A Public Parking Lot, Soquel	\$275,452	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047770.	\$275,452	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
20	Real property	ownership		APN 030-142-33 #103014233A Daubenbiss Public Parking Lot, Soquel	\$100,508	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047773.	\$100,508	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
21	Real property	ownership		APN 030-153-24 #103015324B 4740-4744 Soquel Dr, Soquel	\$706,327	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-047780.	\$706,327	n/a	n/a	n/a	n/a	n/a	n/a	n/a		

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012.

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expanded under Coop Agreement by 1/31/12	Expanded for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
22	Real property	ownership		APN 037-101-58 5555 Soquel Dr. Soquel	\$1,825,248	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/1/12 per Quitclaim Deed Doc# 2012-0047774.	\$1,825,248	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
23	Real property	ownership		APN 037-101-59 5940 Tee St. Soquel	included in Item #22	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to Redevelopment Successor Agency 10/4/12 per Quitclaim Deed Doc# 2012-0047775.	included in Item #22	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
24	Portable Building	ownership		#700080832 Portable Bldg for Teen Center. Shoreline Middle School	\$50,765	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Agreement regarding purchase of portable classroom for use as Teen Center between Live Oak School District and Santa Cruz County Redevelopment Agency, dated 1/23/01.	\$49,557	n/a	n/a	n/a	n/a	n/a	n/a	n/a		\$18,020,000
25	Construction in Progress	Associated with Items #6, 7 & 8		Construction in Progress-7th & Bonner site	\$15,981	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11.	\$15,931	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
26	Construction in Progress	Associated with Items #10 & 11		Construction in Progress-Chanticleer Ave Park	\$624,455	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11.	\$624,455	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
27	Construction in Progress	Associated with Item #12		Construction in Progress-Live Oak Resource Center	\$4,795,323	See Item #12	\$0	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
28	Construction in Progress	Associated with Item #21		Construction in Progress-Heart of Soquel	\$35,374	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11.	\$32,374	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
29	Construction in Progress	Associated with Items #22 & 23		Construction in Progress-Farm Park	\$1,209,689	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11.	\$1,209,689	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
30	Construction in Progress	Associated with Items #9, 16 & 17		Construction in Progress-Various Parishes Rent for 7438 Capitola Rd. Santa Cruz	\$54,729	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11.	\$54,729	n/a	n/a	n/a	n/a	n/a	n/a	n/a		\$6,735,531
31	Rent	Associated with Item #3			\$1,625	See Item #3	\$1,625	n/a	n/a	n/a	n/a	n/a	n/a	n/a		

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement By 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post-1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals	
32	Rent	Associated with item #4		Rent for 1500 Capitola Rd, Santa Cruz	\$1,515	See item #4	\$1,515	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
33	Rent	Associated with item #7		Rent for 901 7th Avenue, Santa Cruz	\$400	See item #7	\$400	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
34	Rent	Associated with item #8		Rent for 905 7th Avenue, Santa Cruz	\$2,200	See item #8	\$2,200	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
35	Rent	Associated with item #10		Rent for 1975 Chanticleer Avenue, Santa Cruz	\$2,000	See item #10	\$2,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a		\$7,740	
36	Cash	Fund 27-015		Lewis Tree Service Purchase Order ORJOS67306	\$10,679	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11, and Purchase Order between County of Santa Cruz and Lewis Tree Service, dated 3/11/11 and renewed 7/19/11 for fiscal year 2011/12.	\$8,180	\$2,499	\$0	\$0	\$6,500	\$1,680	\$0	\$0	197300		
37	Cash	Fund 27-015		CD Kerr Purchase Order ORJOS67471	\$16,744	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11, and Purchase Order between County of Santa Cruz and Christopher D. Kerr, dated 3/11/11 and renewed 7/19/11 for fiscal year 2011/12.	\$15,005	\$1,340	\$0	\$0	\$15,000	\$405	\$0	\$0	197300		
38	Cash	Fund 27-015		Mark Munz Construction Purchase Order ORJOS68480	\$20,165	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11, and Purchase Order between County of Santa Cruz and Mark Munz, dated 3/11/11 and renewed 7/19/11 for fiscal year 2011/12.	\$15,373	\$4,622	\$0	\$0	\$15,000	\$373	\$0	\$0	197300		
39	Cash	Fund 27-015		Linda Norwood Purchase Order ORJOS71619	\$3,000	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz for Funding of Specified Property Management and Development Costs dated 3/8/11, and Purchase Order between County of Santa Cruz and Linda Norwood, dated 11/19/10, amended 6/9/11, and renewed 7/19/11 for fiscal year 2011/12.	\$1,695	\$1,305	\$0	\$0	\$1,695	\$0	\$540	\$0	\$1,155	197300	

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
40	Cash	Fund 27-015		Property Management Cooperation Agreement - Miscellaneous	\$219,201	\$223,635 expended by 1/31/12 for services per Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz to Funding of Specified Property Management and Development Costs dated 3/8/11. \$2,115 expended 2/22/12. V003571 to pay enforceable obligation per ROP-S 1, January-June 2012, page 3 of 3, line #5.	(\$4,434)	\$223,635	\$0	\$0	\$0	(\$4,434)	\$2,115	(\$6,549)	197300	\$269,920
41	Cash	Fund 32-121		Chris Wilson Plumbing and Heating Purchase Order OR/OS72443	\$18,760	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz to Funding of Specified Property Management and Development Costs dated 3/8/11, and Purchase Order between County of Santa Cruz and Chris Wilson, dated 6/18/11 and renewed 7/18/11 for fiscal year 2011/12.	\$4,573	\$14,187	\$0	\$0	\$3,760	\$813	\$0	\$4,573	197301	
42	Cash	Fund 32-121		Chris Wilson Plumbing and Heating Purchase Order OR/72444	\$5,000	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz to Funding of Specified Property Management and Development Costs dated 3/8/11, and Purchase Order between County of Santa Cruz and Chris Wilson Plumbing and Heating, dated 6/16/11.	\$444	\$4,556	\$0	\$0	\$0	\$444	\$0	\$444	197301	
43	Cash	Fund 32-121		Randazzo Enterprises Inc Contract CW03658	\$36,871	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz to Funding of Specified Property Management and Development Costs dated 3/8/11, and Independent Contractor Agreement between County of Santa Cruz and Randazzo Enterprises, Inc., dated 6/14/11.	\$13,801	\$25,070	\$0	\$0	\$13,801	\$0	\$10,060	\$3,741	197301	
44	Cash	Fund 32-121		Public Works encumbrance for Randazzo overhead	\$3,049	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz to Funding of Specified Property Management and Development Costs dated 3/8/11, and County of Santa Cruz Request for Approval of Agreement, including overhead, dated 6/14/11.	\$1,084	\$1,965	\$0	\$0	\$1,084	\$0	\$789	\$295	197301	
45	Cash	Fund 32-121		Chris Workman Excavation CW03667	\$64,212	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz to Funding of Specified Property Management and Development Costs dated 3/8/11, and Independent Contractor Agreement between County of Santa Cruz and Chris Workman Excavation, dated 6/14/11.	\$5,282	\$78,930	\$0	\$0	\$0	\$5,282	\$0	\$5,282	197301	

Exhibit ZA-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Disolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type per HSC	Asset Type	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Agency	Index	Check Totals
46	Cash	Fund 32-121		Public Works encumbrance for Chris Wortman overhead	\$7,150	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz to Funding of Specified Property Management and Development Costs dated 3/8/11, and County of Santa Cruz Request for Approval of Agreement, including overhead, dated 6/14/11.	\$449	\$6,709	\$0	\$0	\$0	\$449	\$0	\$449	197301	
47	Cash	Fund 32-121		Knowlton Construction Cw03671	\$71,654	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz to Funding of Specified Property Management and Development Costs dated 3/8/11, and Independent Contractor Agreement between County of Santa Cruz and Knowlton Construction, dated 6/14/11.	\$0	\$71,654	\$0	\$0	\$0	\$0	\$0	\$0	197301	
48	Cash	Fund 32-121		Public Works encumbrance for Knowlton Construction overhead	\$6,091	Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz to Funding of Specified Property Management and Development Costs dated 3/8/11, and County of Santa Cruz Request for Approval of Agreement, including overhead, dated 6/14/11.	\$0	\$6,091	\$0	\$0	\$0	\$0	\$0	\$0	197301	
49	Cash	Fund 32-121		Property Management Cooperation Agreement - Miscellaneous	\$85,205	\$27,378 expended by 1/31/12, and \$720 expended after 1/31/12, for services incurred by 1/31/12 per Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz to Funding of Specified Property Management and Development Costs dated 3/8/11. \$30,000 returned to RDA. JS50475 9/1/11.	\$7,827	\$27,378	\$0	\$30,000	\$0	\$7,827	\$720	\$7,107	197301	\$300,000
50	Cash	Fund 28		Gruffu Abatement Program - Miscellaneous	\$10,412	\$10,093 expended by 1/31/12 for services per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11; \$319 returned to RDA. JS50475 9/1/11.	\$0	\$10,093	\$0	\$319	\$0	\$0	n/a	n/a	197109	\$10,412
51	Cash	Fund 28		City of Santa Cruz Arana Gulch Agreement CT03904	\$1,378,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Arana Gulch Path Improvement Agreement between County of Santa Cruz and City of Santa Cruz, dated 6/16/11.	\$1,378,000	\$0	\$0	\$0	\$1,378,000	\$0	n/a	\$0	197117	\$1,378,000

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when Transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post-1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals	
52	Cash	Fund 28		Knowlton Construction C/W03671	\$26,738	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Independent Contractor Agreement between County of Santa Cruz and Knowlton Construction, dated 6/14/11.	\$3,002	\$23,736	\$0	\$0	\$0	\$3,002	\$0	\$3,002	197119		
53	Cash	Fund 28		Public Works encumbrance for Knowlton Construction overhead	\$2,273	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and County of Santa Cruz Request for Approval of Agreement, including overhead, dated 6/14/11.	\$254	\$2,019	\$0	\$0	\$0	\$254	\$0	\$254	197119		
54	Cash	Fund 28		Chenillecer Park - Miscellaneous	\$20,989	\$21,071 expended by 1/31/12 for services per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11; \$55 returned to Santa Cruz dated 2/15/11; \$55 returned to RDA JS50475 9/1/11; \$3,120 expended 5/8/12 VQ04949 to pay enforceable obligation on ROPS 1, January-June 2012, page 3 of 3, line #2.	(\$137)	\$21,071	\$0.00	\$55	\$0	(\$137)	\$3,120	(\$3,257)	197119	\$50,000	
55	Cash	Fund 28		Smart Enclosure Contract C/T03900 (originally C/W03665)	\$85,420	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Independent Contractor Agreement between County of Santa Cruz and Smart Enclosure, LLC, dated 6/14/11.	\$73,211	\$12,209	\$0	\$0	\$26,293	\$46,919	\$17,878	\$55,333	197134		
56	Cash	Fund 28		Western Water Features Contract C/T03908	\$71,500	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Contract between County of Santa Cruz and Western Water Features, Inc., dated 6/14/11.	\$71,500	\$0	\$0	\$0	\$71,500	\$0	\$0	\$0	197134		
57	Cash	Fund 28		Simplifine Swim Center - Miscellaneous	\$13,980	\$14,001 expended by 1/31/12 for services per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11; \$12,021 returned to RDA JS50475 9/1/11.	(\$12,942)	\$14,001	\$0	\$12,021	\$0	\$0	(\$12,942)	\$0	(\$12,942)	197134	\$170,000
58	Cash	Fund 28		John Cahalan Landscape Architect Contract C/T03425	\$72,138	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Amendment dated 3/8/11, to Agreement between County of Santa Cruz and John Cahalan Landscape Architect, dated 11/15/05.	\$40,017	\$32,122	\$0	\$0	\$40,017	\$0	\$12,708	\$0	\$0	197137	

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
59	Cash	Fund 28		John Cahalan Landscape Architect Contract CT83425	\$275	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Independent Contractor Agreement between County of Santa Cruz and John Cahalan Landscape Architect, dated 11/15/05.	\$275	\$0	\$0	\$275	\$0	\$0	\$0	197137	
60	Cash	Fund 28		John Cahalan Landscape Architect Contract CT83425	\$119	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Amendment dated 3/27/07, to Agreement between County of Santa Cruz and John Cahalan Landscape Architect, dated 11/15/05.	\$119	\$0	\$0	\$119	\$0	\$0	\$0	197137	
61	Cash	Fund 28		John Cahalan Landscape Architect Contract CT83425	\$1,324	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Amendment dated 6/29/09, to Agreement between County of Santa Cruz and John Cahalan Landscape Architect, dated 11/15/05.	\$1,324	\$0	\$0	\$1,324	\$0	\$0	\$0	197137	
62	Cash	Fund 28		Elle Landscaping Contract CT09862	\$1,279,694	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Contract between County of Santa Cruz and Elle Landscaping, Inc., dated 9/14/10.	\$240,155	\$1,039,539	\$0	\$240,155	\$0	\$150,585	\$0	197137	
63	Cash	Fund 28		Haro Kasunich & Associates Contract CT03875	\$22,333	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Independent Contractor Agreement between County of Santa Cruz and Haro, Kasunich and Assoc., Inc., dated 12/7/10.	\$8,780	\$13,553	\$0	\$8,780	\$0	\$950	\$0	197137	
64	Cash	Fund 28		Professional Service Industries Inc Purchase Order 0372485-01	\$4,853	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Purchase Order between County of Santa Cruz and Professional Services Industries, Inc., dated 7/21/11.	\$1,107	\$3,746	\$0	\$1,107	\$0	\$0	\$1,107	197137	

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

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65	Cash	Fund 28		Felt Street Park - Miscellaneous	\$179,264	\$92,377 expended by 1/31/12 for services per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, \$56,129 returned to Redevelopment Successor Agency 1/16/12 JTS1090 and \$31,865 encumbered as Change Order #16, CT23862, to Elite Landscaping Contract CT03862 to pay enforceable obligation on ROPS II, July-December 2012, Form B, line #10.	\$86,867	\$92,377	\$0	\$0	\$0	\$66,867	\$87,994	(\$1,107)	197137	\$1,580,000
66	Cash	Fund 28		Whilson & Associates Contract CW03861	\$55,220	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Independent Contractor Agreement between County of Santa Cruz and Whilson and Associates, Inc., dated 6/21/11.	\$43,247	\$11,973	\$0	\$0	\$43,247	\$0	\$41,985	\$0	197143	
67	Cash	Fund 28		Public Works encumbrance for Whilson overhead	\$4,694	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and County of Santa Cruz Request for approval of Agreement, including overhead, dated 6/27/11.	\$3,676	\$1,018	\$0	\$0	\$3,676	\$0	\$0	\$0	197143	
68	Cash	Fund 28		Quality Landscape Service Inc Contract CW13669	\$34,500	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Independent Contractor Agreement between County of Santa Cruz and Quality Landscape Service, Inc., dated 6/28/11, entered into pursuant to bid documents for CT03894 between County of Santa Cruz Redevelopment Agency and Granite Rock Company, dba Pavex Construction, dated 5/24/11.	\$34,500	\$0	\$0	\$0	\$34,500	\$0	\$0	\$0	197143	
69	Cash	Fund 28		Public Works encumbrance for Quality Land, overhead	\$2,933	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and County of Santa Cruz Request for Approval of Agreement, including overhead, dated 6/28/11, entered into pursuant to bid documents for Independent Contractor Agreement CT03894 between County of Santa Cruz Redevelopment Agency and Granite Rock Company, dba Pavex Construction, dated 5/24/11.	\$2,933	\$0	\$0	\$0	\$2,933	\$0	\$0	\$0	197143	

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post-1/31/12 Transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
70	Cash	Fund 28		Professional Service Industries Inc Purchase Order OS72485-02	\$3,851	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Purchase Order between County of Santa Cruz and Professional Services Industries, Inc., dated 7/27/11.	\$667	\$3,184	\$0	\$0	\$667	\$0	\$0	\$667	197143	
71	Cash	Fund 28		Sanders & Associates Geotechnical Purchase Order OS72581	\$14,944	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Purchase Order between County of Santa Cruz and Sanders & Associates Geotechnical Engineering, dated 7/14/11.	\$787	\$14,157	\$0	\$0	\$787	\$0	\$0	\$787	197143	
72	Cash	Fund 28		East Cliff Parkway - Miscellaneous	\$1,081,908	\$1,080,233 expended by 1/31/12 for services per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11.	\$471	\$1,081,437	\$0	\$0	\$0	\$471	\$0	\$471	197143	\$1,198,049
73	Cash	Fund 28		Vair Construction Management, Inc. Contract CT03812-02	\$4,500,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Public Improvements Development Agreement between County of Santa Cruz and Vair Construction Management, Inc., dated 6/28/11.	\$4,500,000	\$0	\$0	\$0	\$4,500,000	\$0	n/a	\$4,500,000	197145	\$4,500,000
74	Cash	Fund 28		The Don Chapin Company, Inc. Contract CW03646	\$700,694	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and contract between County of Santa Cruz and The Don Chapin Co. Inc., dated 3/31/11.	\$169,433	\$531,261	\$0	\$0	\$169,433	\$0	\$77,644	\$91,789	197151	
75	Cash	Fund 28		Eaton Street Improvements - Miscellaneous	\$176,175	\$175,236 expended by 1/31/12, and \$6,600.81 expended after 1/31/12, for services incurred by 1/31/12 per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. \$86,127 expended on ROPS 1, January-June 2012, page 3 of 3, line #2.	\$939	\$175,236	\$0	\$0	\$0	\$939	\$92,728	(\$91,789)	197151	\$976,669
76	Cash	Fund 28		Fehr & Peers Transportation Consultants Contract CT03889	\$105,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Independent Contractor Agreement between County of Santa Cruz and Fehr and Peers Transportation Consultants, dated 8/14/11.	\$105,000	\$0	\$0	\$0	\$105,000	\$0	n/a	\$0	197162	

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Disolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals	
77	Cash	Fund 28		Santa Cruz Metro Transit District Purchase Order OR72457	\$10,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and Purchase Order between County of Santa Cruz and Santa Cruz Metro Transit District, dated 6/17/11.	\$10,000	\$0	\$0	\$0	\$10,000	\$0	n/a	\$0	197162		
78	Cash	Fund 28		Santa Cruz Regional Transportation Purchase Order OR72458	\$10,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and Purchase Order between County of Santa Cruz and Santa Cruz County Regional Transportation Commission, dated 6/17/11.	\$10,000	\$0	\$0	\$0	\$10,000	\$0	n/a	\$0	197162	\$125,000	
79	Cash	Fund 28		Pavement Management - Miscellaneous	\$199,767	\$188,131 expended by 1/31/12 for services per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. \$10,752.65 expended 5/9/12 VQ04949 to pay enforceable obligation on ROPS 1, January-June 2012, page 3 of 3, Line #2.	\$11,636	\$188,131	\$0	\$0	\$0	\$11,636	\$10,759	\$683	197175	\$189,767	
80	Cash	Fund 28		F&F Georesource Associates Inc Purchase Order OR0589571	\$2,215	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Purchase Order between County of Santa Cruz and F & F Georesource Associates, dated 3/29/11 and renewed 7/5/11 for fiscal year 2011/12.	\$2,215	\$0	\$0	\$0	\$2,215	\$0	\$0	\$2,215	197183		
81	Cash	Fund 28		Sanders & Associates Geotechnical Purchase Order OR0571865	\$19,976	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Purchase Order between County of Santa Cruz and Sanders & Associates, dated 3/29/11 and renewed 7/5/11 for fiscal year 2011/12.	\$5,029	\$14,948	\$0	\$0	\$0	\$5,026	\$2	\$0	\$5,029	197183	
82	Cash	Fund 28		East Cliff Stabilization - Miscellaneous	\$1,160,488	\$1,139,171 expended by 1/31/12 for services per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11.	\$21,317	\$1,139,171	\$0	\$0	\$0	\$0	\$21,317	\$0	\$21,317	197183	\$1,182,679

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
83	Cash	Fund 28		Pavex Construction Contract CW13624	\$11,995	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Change Order, dated 1/24/12, to CW93624 between County of Santa Cruz and Pavex Construction, dated 7/15/10.	\$11,995	\$0	\$0	\$0	\$11,995	\$0	\$11,995	\$0	197202	
84	Cash	Fund 28		Public Works encumbrance for Pavex overhead	\$1,020	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and County of Santa Cruz Request for Approval of Agreement, including overhead, for Change Order dated 1/24/12 to CW93624, dated 7/15/10.	\$1,020	\$0	\$0	\$0	\$1,020	\$0	\$1,020	\$0	197202	
85	Cash	Fund 28		Pavex Construction Contract CW93624	\$559,503	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and contract between County of Santa Cruz and Pavex Construction, dated 7/15/10.	\$91,718	\$467,785	\$0	\$0	\$91,718	\$0	\$91,241	\$477	197202	
86	Cash	Fund 28		Public Works encumbrance for Pavex overhead	\$47,596	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and County of Santa Cruz Request for Approval of Agreement, including overhead, dated 6/28/11.	\$7,796	\$39,762	\$0	\$0	\$7,796	\$0	\$7,755	\$41	197202	
87	Cash	Fund 28		Back to Eden Landscaping Contract CW13668	\$16,600	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Independent Contractor Agreement between County of Santa Cruz and Back to Eden Landscape and Maintenance, Inc., dated 6/28/11, entered into pursuant to bid documents for Item #85, dated 7/15/10.	\$13,050	\$3,550	\$0	\$0	\$13,050	\$0	\$4,400	\$0	197202	
88	Cash	Fund 28		Public Works encumbrance for Back to Eden overhead	\$1,411	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and County of Santa Cruz Request for Approval of Agreement, including overhead, dated 6/28/11, entered into pursuant to bid documents for Item #85, dated 7/15/10.	\$1,109	\$302	\$0	\$0	\$1,109	\$0	\$375	\$0	197202	

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals	
89	Cash	Fund 28		Soquel Avenue Improvements - Miscellaneous	\$80,748	\$76,030 expended by 1/31/12, and \$145 expended after 1/31/12 for services incurred by 1/31/12 per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11.	\$4,718	\$76,030	\$0	\$0	\$0	\$-4,718	\$145	\$4,573	197202	\$718,634	
90	Cash	Fund 28		Vanir Construction Management, Inc Contract CT03912-01	\$1,472,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Public Improvements Development Agreement between County of Santa Cruz and Vanir Construction Management, Inc., dated 6/28/11.	\$1,472,000	\$0	\$0	\$0	\$1,472,000	\$0	n/a	\$1,472,000	197217	\$1,472,000	
91	Cash	Fund 28		Vanir Construction Management, Inc Contract CT03912-03	\$1,200,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Public Improvements Development Agreement between County of Santa Cruz and Vanir Construction Management, Inc., dated 6/28/11.	\$1,200,000	\$0	\$0	\$0	\$1,200,000	\$0	n/a	\$1,200,000	197226	\$1,200,000	
92	Cash	Fund 28		Green Valley Corporation Contract CT03903-01	\$34,192,045	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Real Property Purchase and Sale Agreement between County of Santa Cruz and Green Valley Corporation, dated 6/20/11.	\$6,692,045	\$27,500,000	\$0	\$0	\$0	\$6,692,045	\$0	\$0	\$0	197228	\$37,429,290
93	Cash	Fund 32-121		Green Valley Corporation Contract CT03903-01	\$3,237,245	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Real Property Purchase and Sale Agreement between County of Santa Cruz and Green Valley Corporation, dated 6/20/11.	\$3,237,245	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	197228	\$37,429,290
94	Cash	Fund 28		Catholic Healthcare West C.T03908	\$2,895,979	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, Psychiatric Health Facility Funding Agreement Between the County of Santa Cruz and Catholic Healthcare West, dated 6/17/11, and Amendment to Psychiatric Health Facility Funding Agreement Between the County of Santa Cruz and Catholic Healthcare West, dated 6/20/11.	\$2,895,979	\$2,895,979	\$0	\$0	\$0	\$0	\$0	\$0	\$0	197229	\$37,429,290

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
95	Cash	Fund 28		The Health Improvement Partnership Contract EH13527-02	\$63,300	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Amendment #1 to Agreement between County of Santa Cruz and Health Improvement Partnership of Santa Cruz County, dated 3/22/11.	\$63,300	\$6,328	\$0	\$0	\$56,974	\$0	n/a	\$0	197229	
96	Cash	Fund 28		Pacific Design Group, LLC Contract EH13920-02	\$714,036	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Independent Contractor Agreement between County of Santa Cruz and Pacific Design Group, dated 2/9/11.	\$496,335	\$217,701	\$0	\$0	\$496,335	\$0	n/a	\$0	197229	
97	Cash	Fund 28		Behavioral Health Miscellaneous	\$2,826,785	\$2,826,785 expended by 1/31/12 for goods & services per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11.	\$0	\$2,826,785	\$0	\$0	\$0	\$0	\$0	\$0	197229	\$6,500,000
98	Cash	Fund 28		Live Oak School District Contract C103911	\$5,000,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Live Oak School District, dated 6/27/11.	\$4,908,500	\$91,500	\$0	\$0	\$4,908,500	\$0	n/a	\$0	197230	\$5,000,000
99	Cash	Fund 32-121		Green Valley Corporation Contract CT03903-02	\$6,570,710	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Real Property Purchase and Sale Agreement between County of Santa Cruz and Green Valley Corporation, dated 6/20/11.	\$6,570,710	\$0	\$0	\$0	\$6,570,710	\$0	\$0	\$0	197328	\$6,570,710
100	Cash	Fund 28		LION Program Grants	\$10,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to RDA 5/13/11. JRS53886.	\$0	\$0	\$0	\$10,000	\$0	\$0	n/a	n/a	197107	\$10,000
101	Cash	Fund 28		East Cliff Parkway	\$3,466,094	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to RDA 6/9/11. JRS4399.	\$0	\$0	\$0	\$3,466,094	\$0	\$0	n/a	n/a	197143	\$3,466,094
102	Cash	Fund 28		East Cliff Stabilization	\$79,888	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. Returned to RDA 5/13/11. JRS53889.	\$0	\$0	\$0	\$79,888	\$0	\$0	n/a	n/a	197183	\$79,888

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
103	Cash	Fund 32-121		Live Oak Resource Center - Miscellaneous	\$30,000	\$27,329 expended by 1/31/12 for services per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11.	\$2,671	\$27,329	\$0	\$0	\$0	\$2,671	\$0	\$2,671	197315	\$30,000
104	Cash	Fund 28		Capital Project Management - Miscellaneous	\$1,785,000	\$1,746,042 expended by 1/31/12 for services per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. \$38,958 returned to RDA JS50472 9/1/11.	(\$0)	\$1,746,042	\$0	\$38,958	\$0	(\$0)	\$0	(\$0)	197250	\$1,785,000
105				Non-housing cash Subtotal	\$76,082,411		\$31,650,965	\$40,794,112	\$0	\$3,637,334	\$31,472,388	\$178,577	\$627,497	\$7,308,976		\$76,082,411
106	Real property	ownership		APN 026-111-03 #1002611103 1240 Rodriguez St, Santa Cruz	\$1,001,478	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and California Residential Purchase Agreement and Joint Escrow Instructions between the County of Santa Cruz and Habitat for Humanity Santa Cruz dated 6/20/11.	\$0	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
107	Real property	ownership		APN 026-171-05 #1002917105 2340 Harper St, Santa Cruz	\$280,837	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and California Residential Purchase Agreement and Joint Escrow Instructions between the County of Santa Cruz and CFSC, inc. dated 6/20/11.	\$280,837	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
108	Real property	ownership		Refrigerator at 522 Capitola Rd Extension, Santa Cruz	\$244,495	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11, and Lease Agreement between Redevelopment Agency of the County of Santa Cruz and Community Action Board of Santa Cruz County, Inc./Gemma, dated 6/26/07, to use premises as transitional housing.	\$235,763	n/a	n/a	n/a	n/a	n/a	n/a	n/a		\$1,536,810
109	Appliance	Associated with Item #108		Refrigerator at 522 Capitola Rd Extension, Santa Cruz	included in unit purchase	See Item #108	included in unit purchase	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
110	Appliance	Associated with Item #108		Refrigerator at 1240 Rodriguez St, Santa Cruz	included in unit purchase	See Item #108	included in unit purchase	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
111	Appliance	Associated with Item #106		Refrigerator at 1240 Rodriguez St, Santa Cruz	included in unit purchase	See Item #106	included in unit purchase	n/a	n/a	n/a	n/a	n/a	n/a	n/a		

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012																
Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
112	Appliance	Associated with item #106		Rangloven at 1240 Rodriguez St, Santa Cruz	Included in unit purchase	See Item #106	included in unit purchase	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
113	Appliance	Associated with item #107		Refrigerator at 2340 Harper St, Santa Cruz	Included in unit purchase	See Item #107	included in unit purchase	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
114	Appliance	Associated with item #107		Rangloven at 2340 Harper St, Santa Cruz	Included in unit purchase	See Item #107	included in unit purchase	n/a	n/a	n/a	n/a	n/a	n/a	n/a		\$0
115	Rent	Associated with item #108		Rent for 522 Capitola Rd Extension, Santa Cruz	\$542	See Item #108	\$542	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
116	Rent	Associated with item #106		Rent for 1240 Rodriguez Street, Santa Cruz	\$2,200	See Item #106	\$0	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
117	Rent	Associated with item #107		Rent for 2340 Harper Street, Santa Cruz	\$1,050	See Item #107	\$1,050	n/a	n/a	n/a	n/a	n/a	n/a	n/a		\$3,792
118	Cash	Fund 29		Community Action Board of Santa Cruz Contract C112635	\$300,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Community Action Board, Inc. dated 6/20/11	\$273,529	\$26,471	\$0	\$0	\$273,529	\$0	n/a	n/a		
119	Cash	Fund 29		Rulan & Tucker LLP Contract C113569	\$95,000	\$63,153 expended by 1/31/12, and \$31,451 expended after 1/31/12 for service incurred by 1/31/12 per Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Rulan & Tucker, LLP dated 7/7/11.	\$31,647	\$63,153	\$0	\$0	\$31,647	\$0	\$31,451	\$396		
120	Cash	Fund 29		Housing Authority of County of Santa Cruz Contract C113686	\$231,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Housing Authority of the County of Santa Cruz dated 6/20/11	\$208,155	\$22,845	\$0	\$0	\$208,155	\$0	n/a	n/a		
121	Cash	Fund 29		Families in Transition Contract C113770	\$234,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Families in Transition dated 6/20/11	\$215,150	\$18,850	\$0	\$0	\$215,150	\$0	n/a	n/a		



Exhibit ZA-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Index	Check Totals
122	Cash	Fund 29		Santa Cruz Community Counseling Center Contract CT13780	\$108,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Santa Cruz Community Counseling Center dated 6/20/11	\$99,250	\$8,750	\$0	\$0	\$99,250	\$0	n/a	n/a		
123	Cash	Fund 29		Front Street Housing, Inc Contract CT13782-01	\$430,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Front St. Housing, Inc. dated 6/20/11	\$335,700	\$94,300	\$0	\$0	\$335,700	\$0	n/a	n/a		
124	Cash	Fund 29		Front Street Housing, Inc Contract CT13782-02	\$300,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Front St. Housing, Inc. dated 6/20/11	\$216,867	\$63,333	\$0	\$0	\$216,867	\$0	n/a	n/a		
125	Cash	Fund 29		United Way of Santa Cruz County Contract CT13905	\$205,275	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and United Way of Santa Cruz County dated 6/20/11	\$190,984	\$14,291	\$0	\$0	\$190,984	\$0	n/a	n/a		
126	Cash	Fund 29		Housing Authority of County of Santa Cruz Contract CT13907	\$4,985,580	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Housing Authority of the County of Santa Cruz dated 6/22/11	\$4,985,580	\$0	\$0	\$0	\$4,985,580	\$0	n/a	n/a		
127	Cash	Fund 29		Aptos Blue Affordable Housing Agreement	\$5,532,802	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Aptos Blue AHA between the County of Santa Cruz and Mid-Peninsula Farm, Inc. dated 6/22/11	\$5,532,802	\$0	\$0	\$0	\$5,532,802	\$0	n/a	n/a		

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Check Totals
128	Cash	Fund 29		Alkinson Affordable Housing Project	\$3,692,640	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Alkinson Lane AHA between the County of Santa Cruz and Mid-Peninsula the Farm, Inc. dated 6/22/11	\$3,692,640	\$0	\$0	\$0	\$3,692,640	\$0	n/a	n/a	
129	Cash	Fund 29		St. Stephens Affordable Housing Project	\$3,670,330	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the St. Stephens AHA between the County of Santa Cruz and MidPen Housing Corp. dated 6/22/11	\$3,670,330	\$0	\$0	\$0	\$3,670,330	\$0	n/a	n/a	
130	Cash	Fund 29		Canterbury Park Affordable Housing Project	\$1,627,632	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Canterbury Park AHA between the County of Santa Cruz and South County Housing Corp. dated 6/22/11	\$1,627,632	\$0	\$0	\$0	\$1,627,632	\$0	n/a	n/a	
131	Cash	Fund 29		Harper Street Affordable Housing Project	\$1,727,200	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Harper Street AHA between the County of Santa Cruz and CFSC, Inc. dated 6/22/11	\$1,727,200	\$0	\$0	\$0	\$1,727,200	\$0	n/a	n/a	
132	Cash	Fund 29		Rodriguez Street Affordable Housing Project	\$953,967	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Grant Rodriguez AHA between the County of Santa Cruz and Habitat for Humanity Santa Cruz County dated 6/22/11	\$953,967	\$76,034	\$0	\$0	\$853,967	\$0	n/a	n/a	
133	Cash	Fund 29		Willwer Parkin Lilegallon Settlement	\$65,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Settlement Agreement between the County of Santa Cruz and Save Our Seadiff dated 6/22/11	\$65,000	\$65,000	\$0	\$0	\$0	\$0	n/a	n/a	
134	Cash	Fund 29		Keyser Marston Contract CT13843	25,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Keyser Marston Associates dated 6/20/11, HSC 34176(a)(1).	25,000	\$0	\$0	\$0	\$0	\$25,000	\$0	\$25,000	\$25,000

Exhibit 2A-01: Listing of transfers from Santa Cruz County Redevelopment Agency (Dissolved Agency) to the County of Santa Cruz for the period January 1, 2011 through January 31, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset when transferred	Per enforceable obligation or legal requirement	Carrying Value of Asset 1/31/12	Expended under Coop Agreement by 1/31/12	Expended for RDA enforceable obligations	Returned to RDA	Encumbered Balance as of 1/31/12	Unencumbered Balance as of 1/31/12	Post 1/31/12 transactions	Amount to be returned to Redevelopment Successor Agency	Check Totals
135	Cash	Fund 29		Affordable Housing - Miscellaneous	6,725	Amenities and Related Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11. HSC 34176(b)(1).	\$6,725	\$0	\$0	\$0	\$0	\$6,725	\$0	\$6,725	\$24,186,184
				Housing Subtotal	\$25,706,785		\$24,221,359	\$473,017	\$0	\$0	\$23,661,442	\$31,725	\$31,451	\$32,121	\$25,706,785
				Totals	\$126,552,467		\$80,630,357	\$41,267,129	\$0	\$0	\$55,133,831	\$210,302	\$658,948	\$7,341,097	\$126,552,467

Notes:
 1) The carrying value of the asset is the purchase price paid by the RDA (with depreciation, if applicable) and may not represent the current fair market value of the asset. Any value listed as unknown or included in purchase price can be assumed to be 0.
 2) The Carrying Value of Asset 1/31/12 for Rent is the monthly amount.
 3) For items 73,90,91, the Redevelopment Successor Agency believes that 6/28/11 is a valid date for this transaction and that the funds are not legally subject to return to the Redevelopment Successor Agency. None the less, the funds are being returned at this time.

Exhibit 28-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz from the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
1	Real property	recorded affordability restriction	HSC 34176(e)(1)	2627 Mattison Lane, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
2	Real property	right of 1st refusal	HSC 34176(e)(1)	3352 Ashwood Way, Soquel	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
3	Real property	right of 1st refusal	HSC 34176(e)(1)	3201 Ashwood Way, Soquel	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
4	Real property	right of 1st refusal	HSC 34176(e)(1)	3181 Birchwood Lane, Soquel	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
5	Real property	right of 1st refusal	HSC 34176(e)(1)	3362 Ashwood Way, Soquel	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
6	Real property	right of 1st refusal	HSC 34176(e)(1)	3271 Birchwood Lane, Soquel	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
7	Real property	right of 1st refusal	HSC 34176(e)(1)	3371 Ashwood Lane, Soquel	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
8	Real property	right of 1st refusal	HSC 34176(e)(1)	3276 Ashwood Lane, Soquel	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
9	Real property	right of 1st refusal	HSC 34176(e)(1)	3331 Ashwood Lane, Soquel	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
10	Real property	right of 1st refusal	HSC 34176(e)(1)	3259 Ashwood Lane, Soquel	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
11	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #55, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012

Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz for the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
12	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #45, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
13	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #73, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
14	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #18, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
15	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #12, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
16	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #57, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
17	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #64, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
18	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #37, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
19	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #63, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
20	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #89, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
21	Real property	right of 1st refusal	HSC 34176(e)(1)	800 Brommer St #80, Santa Cruz	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
22	Real property	recorded affordability restriction	HSC 34176(e)(1)	80 Sears Circle, Soquel	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012



Exhibit 28-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz for the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type recorded affordability restriction	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
23	Real property		HSC 34176(e)(1)	23 Whiteman Ave, Watsonville	unknown	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
24	Loan # 11HP-MPA2*		HSC 34176(e)(3)	Minto Affordable Housing Project	8,013,963	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
25	Loan # 94HP-CAS3*		HSC 34176(e)(3)	Casa Linda Affordable Housing Project	40,940	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
26	Loan # 99HP-MC14*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	348,666	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
27	Loan # 00HP-MC15*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	95,236	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
28	Loan # 01HP-VIS6*		HSC 34176(e)(3)	Vista Verde Affordable Housing Project	165,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
29	Loan # 01HP-VIS7*		HSC 34176(e)(3)	Vista Verde Affordable Housing Project	50,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
30	Loan # 95SO-12		HSC 34176(e)(3)	Sorrento Oaks MHP Affordable Housing Project	10,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
31	Loan # 05HP-MC17*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	10,998	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
32	Loan # 06HP-MC19*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	13,659	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
33	Loan # 06HP-PA2*		HSC 34176(e)(3)	Pleasant Acres MHP Affordable Housing Project	1,322,237	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
34	Loan # 06FT-H89*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	14,242	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
35	Loan # 06FT-H90*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	28,950	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012

Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz for the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
36	Loan # 06FTH-91*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	26,250	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
37	Loan # 06FTH-92*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	20,250	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
38	Loan # 07FTH-95*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	50,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
39	Loan # 07FTH-96*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	52,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
40	Loan # 07FTH-98*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	49,500	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
41	Loan # 07FTH-94*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	29,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
42	Loan # 07FTH-93*		HSC 34176(e)(3)	First Time Home Buyer Loan Program	70,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
43	Loan # 07CA-PAC1		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	35,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
44	Loan # 07CA-PAC2		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	33,850	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
45	Loan # 08CA-PAC4		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	44,500	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
46	Loan # 08CA-PAC5		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	38,450	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
47	Loan # 08CA-PA2		HSC 34176(e)(3)	Pleasant Acres MHP Affordable Housing Project	66,150	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
48	Loan # 08CA-PA3		HSC 34176(e)(3)	Pleasant Acres MHP Affordable Housing Project	58,725	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
49	Loan # 09CA-PAC7		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	110,140	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
50	Loan # 06HP-GT1*		HSC 34176(e)(3)	Golden Torch Affordable Housing Project	129,812	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
51	Loan # 06HP-GT2*		HSC 34176(e)(3)	Golden Torch Affordable Housing Project	588,775	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012

Exhibit 28-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz from the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
52	Loan # 06HP-GT3*		HSC 34176(e)(3)	Golden Torch Affordable Housing Project	577,652	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
53	Loan # 08HP-PA3*		HSC 34176(e)(3)	Pleasant Acres MHP Affordable Housing Project	2,190,215	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
54	Loan # 08HP-MC111*		HSC 34176(e)(3)	Oscales MHP Affordable Housing Project	80,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
55	Loan # 09HP-PAC5*		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	1,930,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
56	Loan # 09HP-PAC6*		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	350,749	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
57	Loan # 10HP-MAR5*		HSC 34176(e)(3)	Marmo's Affordable Housing Project	142,323	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
58	Loan # 10MH-59		HSC 34176(e)(3)	Mobile Home Rehabilitation Loan Program	23,069	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
59	Loan # 08HP-PAC4*		HSC 34176(e)(3)	Pacific Family MHP Affordable Housing Project	692,565	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
60	Loan # 10HP-AC1*		HSC 34176(e)(3)	Aptos Cottages Affordable Housing Project	3,150,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
61	Loan # 11HP-ST51		HSC 34176(e)(3)	St. Stephens Affordable Housing Project	92,216	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
62	Loan # 99HP-VIS4*		HSC 34176(e)(3)	Vista Verde Affordable Housing Project	950,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
63	Loan # 00HP-SAN1*		HSC 34176(e)(3)	San Andreas Affordable Housing Project	700,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
64	Loan #06HP-2MG1*		HSC 34176(e)(3)	Canterbury Affordable Housing Project	1,900,373	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
65	Loan #10HP-2MG4*		HSC 34176(e)(3)	Canterbury Affordable Housing Project	385,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
66	Loan #09HP-2MG3*		HSC 34176(e)(3)	Canterbury Affordable Housing Project	658,390	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
67	Loan # 06PD-FEL1		HSC 34176(e)(3)	Felton site Affordable Housing Project	200,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012

Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz from the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
68	Loan # 07PD-FEL2		HSC 34176(e)(3)	Felton site Affordable Housing Project	496,710	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
69	Loan # 09HP-FEL3		HSC 34176(e)(3)	Felton site Affordable Housing Project	971,153	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
70	Grant # 92HP-WOO*		HSC 34176(e)(3)	VOA Affordable Housing Project	275,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
71	Grant # 95HP-MUR1*		HSC 34176(e)(3)	Jardines del Valle Affordable Housing Project	300,783	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
72	Grant # 96HP-MUR3*		HSC 34176(e)(3)	Jardines del Valle Affordable Housing Project	175,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
73	Grant # 98HP-ATL2*		HSC 34176(e)(3)	Above the Line Affordable Housing Project	651,927	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
74	Grant # 99HP-MC13*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	406,732	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
75	Grant # 99HP-VIS5*		HSC 34176(e)(3)	Vista Verde Affordable Housing Project	1,065,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
76	Grant # 00HP-SAN2*		HSC 34176(e)(3)	San Andreas Affordable Housing Project	694,596	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
77	Grant # 03HP-PAJ6*		HSC 34176(e)(3)	Corralitos Creek Affordable Housing Project	1,325,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
78	Grant # 02HP-MON1*		HSC 34176(e)(3)	Monarch Affordable Housing Project	76,534	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
79	Grant # 02HP-MAR1*		HSC 34176(e)(3)	Marmo's Affordable Housing Project	1,500,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
80	Grant # 05HP-MCG3*		HSC 34176(e)(3)	Seacliff Highlands Affordable Housing Project	1,611,450	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
81	Grant # 05HP-LAG*		HSC 34176(e)(3)	Lagoon Beach Affordable Housing Project	92,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
82	Grant # 05HP-MC16*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	50,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
83	Grant # 05HP-MAR4*		HSC 34176(e)(3)	Marmo's Affordable Housing Project	500,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012

Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz from the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
84	Grant # 06HP-WHE1*		HSC 34176(e)(3)	Wheelock Affordable Housing Project	1,125,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
85	Grant # 06HP-MC18*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	84,500	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
86	Grant # 07HP-WHE2*		HSC 34176(e)(3)	Wheelock Affordable Housing Project	150,271	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
87	Grant # 08HP-MC10*		HSC 34176(e)(3)	Osocales MHP Affordable Housing Project	90,000	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
88	Grant # 10HP-AH1*		HSC 34176(e)(3)	Anderson House Affordable Housing Project	193,698	HSC 34176(a)(1)	2/1/2012	612200	2/1/2012
89	Cash	Fund 72-586		Cash in County Treasury Restricted for Maintenance/Repairs of 522 Capitola Rd, Item #92	29,290	See Item #92	2/1/2012	072586	2/1/2012
90	Real property	ownership		APN 026-111-03 #1002611103 1240 Rodriguez St, Santa Cruz	\$0	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and California Residential Purchase Agreement and Joint Escrow Instructions between the County of Santa Cruz and Habitat for Humanity Santa Cruz dated 6/20/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12, per Resolution No. 5-20120B.	n/a	136110	2/1/2012*

Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz for the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
91	Real property	ownership		APN 029-171-05 #1002917105 2340 Harper St, Santa Cruz	\$290,837	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and California Residential Purchase Agreement and Joint Escrow Instructions between the County of Santa Cruz and CFSC, Inc. dated 6/20/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	611121	2/1/2012*
92	Real property	ownership		APN 026-081-49 522 Capitola Rd Extension, Santa Cruz	\$235,763	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and Lease Agreement between Redevelopment Agency and Community Action Board of Santa Cruz County, Inc./Gemma, dated 6/26/07 to use premises as traditional housing. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
93	Appliance	Associated with Item #92		Refrigerator at 522 Capitola Rd Extension, Santa Cruz	included in unit purchase	See Item #92	n/a	612200	2/1/2012*
94	Appliance	Associated with Item #92		Range/oven at 522 Capitola Rd Extension, Santa Cruz	included in unit purchase	See Item #92	n/a	612200	2/1/2012*
95	Appliance	Associated with Item #90		Refrigerator at 1240 Rodriguez St, Santa Cruz	included in unit purchase	See Item #90	n/a	136110	2/1/2012*
96	Appliance	Associated with Item #90		Range/oven at 1240 Rodriguez St, Santa Cruz	included in unit purchase	See Item #90	n/a	136110	2/1/2012*
97	Appliance	Associated with Item #91		Refrigerator at 2340 Harper St, Santa Cruz	included in unit purchase	See Item #91	n/a	611121	2/1/2012*

Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz for the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
98	Appliance	Associated with Item #91		Rangeloven at 2340 Harper St, Santa Cruz	included in unit purchase	See Item #91	n/a	611121	2/1/2012*
99	Rent	Associated with Item #92		Rent for 522 Capitola Rd Extension, Santa Cruz	\$542	See Item #92	n/a	612200	2/1/2012*
100	Rent	Associated with Item #90		Rent for 1240 Rodriguez Street, Santa Cruz	\$2,200	See Item #90	n/a	136110	2/1/2012*
101	Rent	Associated with Item #91		Rent for 2340 Harper Street, Santa Cruz	\$1,050	See Item #91	n/a	611121	2/1/2012*
102	Cash	Fund 29		Community Action Board of Santa Cruz Contract CT12635	\$300,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Community Action Board, Inc. dated 6/20/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
103	Cash	Fund 29		Rutan & Tucker LLP Contract CT13369	\$95,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Rutan and Tucker, LLP dated 7/1/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*

Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz from the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
104	Cash	Fund 29		Housing Authority of County of Santa Cruz Contract CT13686	\$231,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Housing Authority of the County of Santa Cruz dated 6/20/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
105	Cash	Fund 29		Families in Transition Contract CT13770	\$234,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Families in Transition dated 6/20/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
106	Cash	Fund 29		Santa Cruz Community Counseling Center Contract CT13780	\$108,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Santa Cruz Community Counseling Center dated 6/20/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*

Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz from the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
107	Cash	Fund 29		Front Street Housing, Inc Contract CT13782-01	\$430,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Front St. Housing, Inc. dated 6/20/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
108	Cash	Fund 29		Front Street Housing, Inc Contract CT13782-02	\$300,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Front St. Housing, Inc. dated 6/20/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
109	Cash	Fund 29		United Way of Santa Cruz County Contract CT13905	\$205,275	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and United Way of Santa Cruz County dated 6/20/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*



Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz for the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
110	Cash	Fund 29		Housing Authority of County of Santa Cruz Contract CT13907	\$4,985,580	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Independent Contractor Agreement between the County of Santa Cruz and Housing Authority of the County of Santa Cruz dated 6/22/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
111	Cash	Fund 29		Aptos Blue Affordable Housing Agreement	\$5,532,802	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Aptos Blue AHA between the County of Santa Cruz and Mid-Peninsula the Farm, Inc. dated 6/22/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
112	Cash	Fund 29		Atkinson Affordable Housing Project	\$3,692,640	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Atkinson Lane AHA between the County of Santa Cruz and Mid-Peninsula the Farm, Inc. dated 6/22/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*

Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz for the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
113	Cash	Fund 29		St. Stephens Affordable Housing Project	\$3,670,330	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the St. Stephens AHA between the County of Santa Cruz and MidPen Housing Corp. dated 6/22/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
114	Cash	Fund 29		Canterbury Park Affordable Housing Project	\$1,627,632	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Canterbury Park AHA between the County of Santa Cruz and South County Housing Corp. dated 6/21/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
115	Cash	Fund 29		Harper Street Affordable Housing Project	\$1,727,200	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Harper Street AHA between the County of Santa Cruz and CFSC, Inc. dated 6/22/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*

Exhibit 2B-01: Listing of transfers from Santa Cruz County Redevelopment Successor Agency to the County of Santa Cruz from the period February 1, 2012 through June 30, 2012

Item #	Type of Asset	Further Asset Type	Asset Type per HSC	Description	Carrying Value of Asset	Per enforceable obligation or legal requirement	Date of Transfer from RDA to Successor Agency	Funding source	Date of transfer from Successor Agency to County of Santa Cruz
116	Cash	Fund 29		Rodriguez Street Affordable Housing Project	\$830,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Grant Agreement between the County of Santa Cruz and Habitat for Humanity Santa Cruz County dated 6/20/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
117	Cash	Fund 29		Wittwer Parkin Litigation Settlement	\$65,000	Amended and Restated Cooperation Agreement between the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz dated 2/15/11 and the Settlement Agreement between the County of Santa Cruz and Save Our Seacliff dated 6/22/11. HSC 34176(a)(1). Confirmed by Oversight Board 6/27/12 per Resolution No. 5-2012OB.	n/a	612200	2/1/2012*
118				Total	62,068,339				

Notes:

- 1) The carrying value of the asset is the purchase price paid by the RDA (with depreciation, if applicable) and may not represent the current fair market value of the asset. Any value listed as unknown or included in purchase price can be assumed to be 0.
- 2) All Grants are Conditional Grants, and may become loans due if conditions are not met.
- 3) Current outstanding loan balance is principal due only.
- 4) Items with an asterisk after loan/grant number also have affordability restrictions on the property with which the loan/grant is associated.
- 5) Items with an asterisk after the Date of Transfer were transferred from RDA to the County prior to 2/1/12, and the transfers confirmed by the Oversight Board on 6/27/12, effective as of 2/1/12.



**Exhibit 5-01: Listing of all assets of All Other Funds Combined (Excluding LMIHF)
of the Santa Cruz County Redevelopment Successor Agency as of June 30, 2012**

Item #	Type of Asset	Further Asset Type	Description	Carrying Value of Asset	Funding source	Check Totals
1	Cash	Fund Debt Service	Cash restricted for bond debt service with Trustee: Bank of New York Mellon	\$12,956,267	BNY	\$12,956,267
2	Cash	Fund 32-121	Cash in County Treasury	1,552,068	136110	
3	Cash	Fund 32-123	Cash in County Treasury	8,374,393	136130	
4	Cash	Fund 27-010	Cash in County Treasury	157,105	610110	
5	Cash	Fund 27-015	Cash in County Treasury	524	610115	
6	Cash	Fund 28	Cash in County Treasury	909,446	611100	
7	Cash	Fund 29	Cash in County Treasury	384,003	612200	11,377,539
8	Due from other Funds	Fund 27-010	Cash Due from other Funds (from Fund 32-121)	7,762	610110	7,762
9	Office Equipment Building structures-offices	Fund 27-010	Miscellaneous office equipment Asset #200082199A Building structures-offices	5,698	610110	5,698
10		Fund 27-010	Total	<u>9,389</u>	610110	<u>9,389</u>
				<u>\$24,356,655</u>		<u>\$24,356,655</u>

Exhibit 6A-01: Listing of the Santa Cruz County Redevelopment Successor Agency Asset Balances Held on June 30, 2012 that are Restricted for the Purpose of Unspent Bond Proceeds.

Item #	Type of Asset	Further Asset Type	Description	Carrying Value of Asset	Funding source	Restricted Amounts	Restriction
1	Cash	Fund Debt Service	Cash restricted for bond debt service held by trustee: Bank of New York Mellon	\$12,956,267	Fund Debt Service	\$12,956,267	Section 3.02 of 10/1/2000, with BNY Western Trust Company (2000A); Indenture of Trust, dated 8/1/2003, with BNY Western Trust Company (2003Ref); Indenture of Trust, dated 10/1/2005, with The Bank of New York Trust Company (2005A); Indenture of Trust, dated 10/1/2005, with The Bank of New York Trust Company (2005B); Indenture of Trust, dated 4/1/2007, with The Bank of New York Trust Company (2007Ref); Indenture of Trust, dated 10/1/2007, with The Bank of New York Trust Company (2007A Ref); Indenture of Trust, dated 1/1/2009, with The Bank of New York Mellon Trust Company (2009A); Indenture of Trust, dated 6/1/2010, with The Bank of New York Trust Company (2010); Indenture of Trust, dated 2/1/2011, with the Bank of New York Mellon Trust Company (2011A); Indenture of Trust, dated 2/1/2011, with The Bank of New York Mellon Trust Company (2011B)
2	Cash	Fund 28	Cash in County Treasury-Capital Project Bond Proceeds	909,446	611100	909,446	Indenture of Trust, dated 10/1/2005, with The Bank of New York Trust Company (2005A); Indenture of Trust, dated 1/1/2009, with The Bank of New York Mellon Trust Company (2009A); Indenture of Trust, dated 2/1/2011, with the Bank of New York Mellon Trust Company (2011A)
3	Cash	Fund 29	Cash in County Treasury-Housing Bond Proceeds	384,003	612200	384,003	Indenture of Trust, dated 10/1/2000, with BNY Western Trust Company (2000B); Indenture of Trust, dated 10/1/2005, with The Bank of New York Trust Company (2005B); Indenture of Trust, dated 6/1/2010, with The Bank of New York Trust Company (2010); Indenture of Trust, dated 2/1/2011, with The Bank of New York Mellon Trust Company (2011B)
4	Cash	To be returned from County to Fund 28	Cash in County Treasury-Capital Project Bond Proceeds	7,250,850	611100	7,250,850	Indenture of Trust, dated 10/1/2005, with The Bank of New York Trust Company (2005A); Indenture of Trust, dated 1/1/2009, with The Bank of New York Mellon Trust Company (2009A); Indenture of Trust, dated 2/1/2011, with the Bank of New York Mellon Trust Company (2011A)
5	Cash	To be returned from County to Fund 29	Cash in County Treasury-Housing Bond Proceeds	32,121	612200	32,121	Indenture of Trust, dated 10/1/2000, with BNY Western Trust Company (2000B); Indenture of Trust, dated 10/1/2005, with The Bank of New York Trust Company (2005B); Indenture of Trust, dated 6/1/2010, with The Bank of New York Trust Company (2010); Indenture of Trust, dated 2/1/2011, with The Bank of New York Mellon Trust Company (2011B)
				<u>\$21,532,687</u>		<u>\$21,532,687</u>	
						<u>\$16,732</u>	
						<u>\$21,549,419</u>	

From Exhibit 6C-01 to Tab Proc 10

Note: Fund 28 is composed of bond funds for capital projects; Fund 29 is composed of bond funds for Low and Moderate Income housing projects and programs. Both funds are Successor Agency Funds.



**Exhibit 6C-01: Listing of the of Santa Cruz County Redevelopment Successor Agency Asset Balances
Held on June 30, 2012 that are Restricted for the Purpose of Other Assets Considered to be Legally Restricted**

Item #	Type of Asset	Further Asset Type	Description	Carrying Value of Asset	Funding source	Legally Restricted Amounts	Restriction	Unrestricted Balance	Time Period	Check Totals
1	Cash	Fund 27-010	Cash in County Treasury	\$157,105	610110	\$4,551	Vouchers Payable	\$152,554	Until related assets are expended for their intended purpose	\$ -
2	Cash	Fund 27-010	Cash in County Treasury	157,105	610110	2,655	Salaries and Benefits Payable	154,450	Until related assets are expended for their intended purpose	\$0
3	Cash	Fund 27-010	Cash in County Treasury	157,105	610110	1,243	Stale-dated Warrants	155,861	Until related assets are expended for their intended purpose or stale-dated warrant liability is removed	\$148,656
4	Cash	Fund 27-015	Cash in County Treasury	524	610115	521	Stale-dated Warrants	3	Until related assets are expended for their intended purpose or stale-dated warrant liability is removed	\$3
5	Cash	Fund 32-121	Cash in County Treasury	1,552,068	136110	7,762	Due to other funds	1,544,306	Until related assets are expended for their intended purpose or stale-dated warrant liability is removed	\$1,544,306
Total				\$2,023,906		\$16,732	To Exhibit 6A-01			

Exhibit 7-01 Listing of Assets of the Santa Cruz County Redevelopment Successor Agency as of June 30, 2012 that are Not Liquid or Otherwise Available for Distribution

Item #	Type of Asset	Further Asset Type	Description	Carrying Value of Asset 6/30/12	Funding source	Original purchase cost
1	Office Equipment	Fund 27-010	Miscellaneous office equipment	\$5,698	610110	\$76,941
2	Building structures	Fund 27-010	Asset #200082199A Building structures-offices	9,389	610110	35,204
Total				<u>\$15,087</u>		

Exhibit 8A-01: Itemized Schedule of the Santa Cruz County Redevelopment Successor Agency Asset Balances (Resources) as of June 30, 2012 that are Dedicated or Restricted for Funding of Enforceable Obligations.

Item #	Enforceable Obligation Type	Amount of Enf. Oblig.	Description	ROPS reference	Funding source	Basis of Enf. Oblig.
1	9/1/12 debt service payment	\$852,586	Reserved for 2000 Refunding Tax Allocation Bond 9/1/12 debt service payment.	ROPS I, Page 1, Item 16	136110	Indenture of Trust, dated 8/1/2000, with BNY Western Trust Company, Section 4.02
2	9/1/12 debt service payment	260,969	Reserved for 2000 Series A Tax Allocation Bond 9/1/12 debt service payment	ROPS I, Page 1, Item 17	136110	Indenture of Trust, dated 10/1/2000, with BNY Western Trust Company, Section 4.02
3	Fiscal agent fees	15,882	Annual bond account administration fees	ROPS I, Page 1, Item 24	136110	Indenture of Trust, dated 8/1/2000, with BNY Western Trust Company (2000Ref); Indenture of Trust, dated 10/1/2000, with BNY Western Trust Company (2000A); Indenture of Trust, dated 8/1/2003, with BNY Western Trust Company (2003Ref); Indenture of Trust, dated 10/1/2005, with The Bank of New York Trust Company (2005A); Indenture of Trust, dated 10/1/2005, with The Bank of New York Trust Company (2005B); Indenture of Trust, dated 4/1/2007, with The Bank of New York Trust Company (2007Ref); Indenture of Trust, dated 10/1/2007, with The Bank of New York Trust Company (2007A Ref); Indenture of Trust, dated 1/1/2009, with The Bank of New York Mellon Trust Company (2009A); Indenture of Trust, dated 6/1/2010, with The Bank of New York Mellon Trust Company (2010); Indenture of Trust, dated 2/1/2011, with the Bank of New York Mellon Trust Company (2011A); Indenture of Trust, dated 2/1/2011, with The Bank of New York Mellon Trust Company (2011B)
4	Contract for professional services	2,868	Rutan and Tucker legal services contract (part of Admin. Cost Allowance)	ROPS I, Page 2, Item 29	610110	Independent Contractor Agreement dated 7/1/05, amended 6/23/11 and request for approval 6/27/11.
Total		\$1,132,305				

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Statement of Cash Balances as of June 30, 2012 Needed to be Returned to Satisfy Obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013.

FORM A - Redevelopment Property Tax Trust Fund (RPTTF)

Due Diligence Review non-LMI Procedure 3

State of California Redevelopment Agency
San Diego County Redevelopment Agency
San Diego County Redevelopment Agency
San Diego County Redevelopment Agency

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 28, Section 34177

Table with columns: Project Name / Debt Obligation, Contract/Agreement Extension Date, Payee, Description, Total Due During 2012-2013, Funding Source, Payment by month (Jul 2012 - Dec 2012), Total, Amount needed to satisfy obligation as of 6/30/12, and Explanation.

* All units due during fiscal year and payment amount are projected.
- Funding sources from the successor agency. For fiscal 2011-12, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.
(1) Total Outstanding Obligation as of 6/30/12 is based on the actual obligation of \$1,175,000 for Fiscal Agent Fee, \$126,000 for Continging Disburse, \$174,175 for Audit, and \$145,000 for Arbitrage services.
(2) Total Outstanding Obligation as of 6/30/12 is based on the actual obligation of \$1,175,000 for Fiscal Agent Fee, \$126,000 for Continging Disburse, \$174,175 for Audit, and \$145,000 for Arbitrage services.
(3) Total Outstanding Obligation as of 6/30/12 is based on the actual obligation of \$1,175,000 for Fiscal Agent Fee, \$126,000 for Continging Disburse, \$174,175 for Audit, and \$145,000 for Arbitrage services.
(4) Projected obligation over life of the Successor Agency is approximately \$937,700 for Fiscal Agent Fee, \$126,000 for Continging Disburse, \$174,175 for Audit, and \$145,000 for Arbitrage services.
LMIIF - Low and Moderate Income Housing Fund
Admin - Successor Agency Administrative Allowance

Due Diligence Review non-LMH Procedure 9

FORM B - All Revenue Sources Other Than Redevelopment Property Tax Trust Fund (RP TTF)

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 24 - Section 34177

Schedule of Cash Balances as of June 30, 2012, Needed to Satisfy Obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013.

Name of Redevelopment Agency: Santa Cruz County Redevelopment Agency
Project Area(s): Live Oak/Squid Project Area

Table with columns: Project Name / Debt Obligation, Contract/Agreement Execution Date, Payee, Description, Total Due During Fiscal Year 2012-2013, Funding Source, Payments by month (Jul 2012, Aug 2012, Sep 2012, Oct 2012, Nov 2012, Dec 2012), Amount needed to satisfy obligation as of 6/30/12, Explanation.

Totals - LMHF: \$ 331,284.00
Totals - Bond Proceeds: \$ 2,589,353.00
Totals - Other: \$ 306,844.00
Grand Total - This Page: \$ 3,227,481.00

* All total due during fiscal year and payment amounts are projected.
** Funding sources from the successor agency: (For fiscal 2011-12 only, reference to RP TTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
(1) Debt proceeds from the sale of the project.
(2) Debt proceeds from the sale of the project.
(3) Debt proceeds from the sale of the project.
(4) Projected obligation over life of the Successor Agency is approximately \$158,700 for Fiscal Agent Fees, \$158,000 for Continuing Disclosure, \$174,175 for Audit, and \$164,000 for Amortage services.
RP TTF - Redevelopment Property Tax Trust Fund
Live Oak/Squid Project Area
Admin. - \$2,523,297.00
Agency Administrative Allowance

Exhibit 10-01: Summary of the County of Santa Cruz Successor Agency Balances Available for Allocation to Affected Taxing Entities

	<u>Non-LMIH Funds</u>	<u>Debt Service</u>	<u>27-010</u>	<u>27-015</u>	<u>32-121</u>	<u>32-123</u>	<u>28</u>	<u>29</u>
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) (Exhibit 5-01)	\$24,356,655	\$12,956,267	\$179,954	\$524	\$1,552,068	\$8,374,393	\$909,446	\$384,003
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) (Exhibit 2A-01)	7,341,097			33,564	24,562		7,250,850	32,121
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6) (Exhibits 6A-01 and 6C-01)	(21,549,419)	(12,956,267)	(8,449)	(521)	(7,762)		(8,160,296)	(416,124)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)(Exhibit 7-01)	(15,087)		(15,087)					
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)(Exhibit 8-01)	(1,132,305)		(2,868)		(1,129,437)			
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)(Exhibit 9-01)	(8,388,155)				(16,277)	(8,371,878)		
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	(133,387)		(133,385)	(3)				
Amount to be remitted to county for disbursement to taxing entities	<u>\$479,399</u>	<u>\$0</u>	<u>\$20,165</u>	<u>\$33,564</u>	<u>\$423,154</u>	<u>\$2,515</u>	<u>\$0</u>	<u>\$0</u>

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.



November 8, 2012

Ms. Kim Namba, Administrative Services Manager
County of Santa Cruz
710 Ocean Street, Room 520
Santa Cruz, CA 95060

Dear Ms. Namba:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the County of Santa Cruz (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 9, 2012. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Pursuant to HSC section 34179.6 (d), Finance has completed its review of your DDR, which may have included obtaining clarification for various items.

Based on our review, Finance made no adjustments to the Low and Moderate Income Housing Fund (LMIHF) balance available for allocation to the affected taxing entities. As a result, the Agency's LMIHF balance available for distribution to the affected taxing entities is \$80,386.

HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified above within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, that taxing entity's failure to remit those funds may result in offsets to its sales and use tax allocation or to its property tax allocation.

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

Ms. Namba
November 8, 2012
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Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

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

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated August 31, 2012 do not in any way eliminate the Controller's authority.

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

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Carol Kelly, Assistant Chief Administrative Officer, County of Santa Cruz
Ms. Mary Jo Walker, Auditor Controller, County of Santa Cruz
California State Controller's Office



County of Santa Cruz

SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4073

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

December 21, 2012

Agenda: January 10, 2013

Oversight Board
Santa Cruz County Redevelopment Successor Agency
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

SUBMISSION OF FINANCIAL REPORTS OF THE SANTA CRUZ COUNTY REDEVELOPMENT AGENCY FOR THE SEVEN MONTH PERIOD ENDED JANUARY 31, 2012 AND THE SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY FOR THE FIVE MONTH PERIOD ENDED JUNE 30, 2012

Dear Members of the Board:

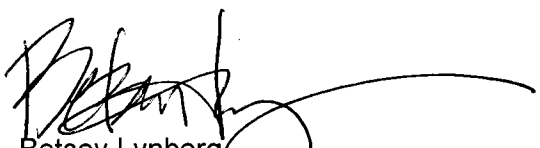
Pursuant to Section 33080.1 of the Health and Safety Code of the State of California, attached are:

- The Annual Basic Financial Statements and Independent Auditors' Reports of the Santa Cruz County Redevelopment Agency for the seven month period ending January 31, 2012; and
- The Annual Basic Financial Statements and Independent Auditors' Reports of the Santa Cruz County Redevelopment Successor Agency for the five month period ending June 30, 2012.

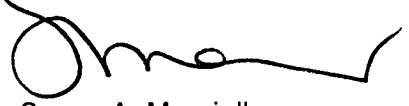
The audit opinion for both was unqualified in stating that the financial positions of the Santa Cruz County Redevelopment Agency and the Santa Cruz County Redevelopment Successor Agency are presented fairly, in all material respects, and that the results of their operations for the seven month period ended January 31, 2012 and the five month period ended June 30, 2012, together covering the fiscal year ended June 30, 2012, are in conformity with generally accepted accounting principles. In addition to copies being provided for each Board member, a copy of each report is on file with the Clerk of the Board.

It is therefore RECOMMENDED that your Board approve the attached resolution accepting and filing these reports.

Very truly yours,


Betsy Lynberg
Assistant Public Works Director-Parks

RECOMMENDED:


Susan A. Mauriello
County Administrative Officer

Attachments:

1. Resolution
2. Basic Financial Statements and Independent Auditors' Reports of the Santa Cruz County Redevelopment Agency for the seven month period ended January 31, 2012 (on file with the Clerk of the Board and a copy to each Board Member))
3. Basic Financial Statements and Independent Auditors' Reports of the Santa Cruz County Redevelopment Successor Agency for the five month period ended June 30, 2012 (on file with the Clerk of the Board and a copy to each Board Member)

Copy to: County Administrative Office
Auditor-Controller
Redevelopment Successor Agency

BEFORE THE SANTA CRUZ COUNTY
REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. _____

On the motion of _____ duly seconded by _____ the following resolution is adopted:

RESOLUTION ACCEPTING AND FILING FINANCIAL REPORTS
OF THE SANTA CRUZ COUNTY REDEVELOPMENT AGENCY
FOR THE SEVEN MONTH PERIOD ENDED JANUARY 31, 2012
AND THE SANTA CRUZ COUNTY REDEVELOPMENT
SUCCESSOR AGENCY FOR THE FIVE MONTH PERIOD
ENDED JUNE 30, 2012

WHEREAS, the Santa Cruz County Redevelopment Successor Agency Oversight Board ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, pursuant to Health and Safety Code Section 33080.1, a redevelopment agency must submit an independent financial audit for the previous financial year to its legislative body; and

WHEREAS, for fiscal year 2011-12, financial reports of the Santa Cruz County Redevelopment Agency for the seven month period ended January 31, 2012 and of the Santa Cruz County Redevelopment Successor Agency for the five month period ended June 30, 2012, were prepared;

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Santa Cruz County Redevelopment Successor Agency Oversight Board as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The financial reports of the Santa Cruz County Redevelopment Agency for the seven month period ended January 31, 2012 and of the Santa Cruz County Redevelopment Successor Agency for the five month period ended June 30, 2012 are hereby accepted and filed.

PASSED, APPROVED and ADOPTED by the Santa Cruz County Redevelopment
Successor Agency Oversight Board, this ___th day of _____, 2013 by the following vote:

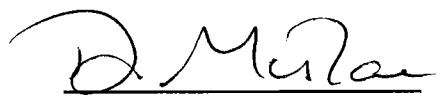
AYES:
NOES:
ABSENT:

Chairperson of the Santa Cruz County Redevelopment
Successor Agency Oversight Board

ATTEST:

Clerk of the Oversight Board

Approved as to form:



County Counsel

- Distribution:
- County Counsel
 - Successor Agency
 - CAO
 - State Department of Finance
 - State Controller's Office
 - Auditor-Controller

Santa Cruz County Redevelopment Agency

Santa Cruz, California

*Basic Financial Statements
and Independent Auditors' Reports*

*As of January 31, 2012 and for the seven month
period July 1, 2011 through January 31, 2012*

Santa Cruz County Redevelopment Agency
As of January 31, 2012 and for the Seven Month Period July 1, 2011 through January 31, 2012
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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Directors
of the Santa Cruz County Redevelopment Agency
Santa Cruz, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Cruz County Redevelopment Agency (the "Agency"), a component unit of the County of Santa Cruz, California (the "County"), as of and for the seven months ended January 31, 2012, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency as of January 31, 2012, and the respective changes in financial position for the seven months ended January 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

As explained further in Note 14 to the basic financial statements, the California State Legislature enacted Assembly Bill X1 26 (the "Bill") dissolving the County's redevelopment agency as of January 31, 2012. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund). The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) to the Santa Cruz County Redevelopment Successor Agency is reported in the private-purpose trust fund as an extraordinary loss in the amount of \$174,032,971.



To the Members of the Board of Directors
of the Santa Cruz County Redevelopment Agency
Santa Cruz, California
Page 2

Also as explained further in Note 14, due to the dissolution of the redevelopment agencies, it is necessary to read this report in conjunction with that of the Santa Cruz County Redevelopment Successor Agency basic financial statements for the five months ended June 30, 2012, in order to gain a full understanding of the fiscal year (twelve month period ended June 30, 2012).

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2012, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Marcum LLP

Marcum LLP
Certified Public Accountants
Irvine, CA
December 21, 2012

SANTA CRUZ COUNTY REDEVELOPMENT AGENCY
Management's Discussion and Analysis
7 Month Period Ended January 31, 2012

This section of the Santa Cruz County Redevelopment Agency (the "Agency") audit report presents a discussion and analysis of the Agency's financial performance during the 7 month period ended January 31, 2012. Please read it in conjunction with the Agency's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The liabilities of the Agency exceeded assets at the close of the 7 month period ended January 31, 2012, by \$174,032,971 (*net assets*). Of this amount, \$16,309 is invested in capital assets, net of related debt.
- The Agency's total net assets increased by \$8,443,571. This increase is mainly attributed to the \$11,961,371 increase in loans receivable, and \$4,850,519 decrease in Long term Debt and an \$1,140,396 increase in interest payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, and (3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statement of *net assets* presents information on all Agency assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information showing how the Agency's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of these government-wide financial statements would distinguish functions of the Agency that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). There are no business-type activities for the Agency.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are classified as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statement—i.e. most of the Agency's basic services are reported in governmental funds. These statement, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the Agency's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains five governmental funds organized according to their type (special revenue and debt service). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the Tax Increment Revenue, Administration Revenue, Capital Projects, and LMIH Projects funds, which are considered to be major funds. Data from the remaining governmental fund is in a single presentation.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The Agency adopts an annual appropriated budget for each of its special revenue funds. A budgetary comparison statement has been provided for each special revenue fund to demonstrate compliance with this budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. In the case of the Agency, liabilities exceeded assets by \$174,032,971 at the close of the 7 month period ended January 31, 2012.

Net Assets			
	Governmental Activities		
	January 31, 2012	2011	Increase/ (Decrease) %
Assets:			
Current and other assets	\$ 76,193,607	\$ 71,045,177	7.25
Capital assets, net	<u>16,309</u>	<u>19,094</u>	(14.59)
Total assets	<u>\$ 76,209,916</u>	<u>\$ 71,064,271</u>	7.24
Liabilities:			
Current liabilities	\$ 6,294,005	\$ 9,525,374	(33.92)
Long-term liabilities	<u>243,948,882</u>	<u>244,015,439</u>	(0.03)
Total liabilities	<u>250,242,887</u>	<u>253,540,813</u>	(1.30)
Net assets:			
Invested in capital assets, net of related debt	16,309	19,094	(14.59)
Restricted: Capital Projects	2,366,544	3,774,034	(37.29)
Restricted: LMIH Projects	47,534,733	32,172,547	47.75
Restricted: Debt Service	20,014,154	17,898,385	11.82
Unrestricted net assets	<u>(243,964,711)</u>	<u>(236,340,602)</u>	(3.23)
Total net assets	<u>\$ (174,032,971)</u>	<u>\$ (182,476,542)</u>	4.63

Analysis of Net Assets

A portion of the Agency's net assets reflects its investment in capital assets (e.g. land, structures and improvements, and mobile homes and other equipment), less any related debt used to acquire those assets that is still outstanding, \$16,309. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Agency's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the Agency reported a positive balance in the amount invested in capital assets, net of related debt, while it showed a negative balance in unrestricted net assets totaling \$243,964,711.

Changes in Net Assets			
	Governmental Activities		
	January 31, 2012	2011	Increase/ (Decrease) %
Revenues:			
General revenues:			
Tax increment	\$ 11,882,927	\$ 22,865,258	(48.03)
Interest and investment income	55,681	603,737	(90.78)
Rents and concessions	3,177	104,069	(96.95)
Aid from other governments	0	26,540	(100.00)
Other revenue - Fees	0	2,102	(100.00)
Other revenue - Loan payments	(19,399)	62	(313.89)
Gain/(Loss) on sale of assets	9,599	(9,056)	206.00
Gain/(Loss) on conversion of debt	<u>5,024,265</u>	<u>0</u>	100.00
Total revenues	<u>16,956,250</u>	<u>23,592,712</u>	(28.13)
Expenses:			
Public ways and facilities	1,997,662	150,386,932	(98.67)
Interest on long-term bonds and loans payable	8,390,485	13,046,016	(35.69)
Total expenses	<u>10,388,147</u>	<u>163,432,948</u>	(93.64)
Transfers in from Primary Government	1,875,468	0	100.00
Change in net assets	8,443,571	(139,840,236)	106.04
Net assets, beginning	(182,476,542)	(42,636,306)	(3.28)
Net assets, ending	<u>\$(174,032,971)</u>	<u>\$(182,476,542)</u>	4.63

Analysis of Changes in Net Assets

Governmental activities. Governmental activities increased the Agency's net assets by \$8,443,571 or 100% of the total increase in Agency's net assets. The key factors that contributed to this increase were the \$11,961,371 increase in loans receivable, \$4,850,519 decrease in Long Term Debt, \$1,140,396 increase in interest payable.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The Agency's governmental funds provide the same type of information found in the government-wide financial statements, but in more detail. Types of governmental funds reported by the Agency include Special Revenue Funds and Debt Service Funds.

At January 31, 2012, the Agency's governmental funds reported combined ending fund balances of \$71,865,646, an increase of 7.54%, or \$5,041,255 from the prior year.

Revenues for governmental functions totaled \$11,922,386 for the 7 month period ended January 31, 2012. Expenditures for governmental functions amounted to \$13,790,463 for the same period. In the 7 month period ended January 31, 2012, expenditures for governmental functions exceeded revenues by \$1,868,077.

The following table shows actual revenues from various sources:

Revenues Classified by Source Governmental Funds						
	January 31, 2012		FY 2011		Increase/(Decrease)	
Revenues by Source	Amount	% of Total	Amount	% of Total	Amount	% of Change
Tax increment	\$ 11,850,929	99.40	\$ 22,848,351	96.81	(10,997,422)	(48.13)
Penalties on taxes	31,998	0.27	16,907	0.07	15,091	89.26
Interest income	55,681	0.47	603,737	2.56	(548,056)	(90.78)
Rents and concession	3,177	0.03	104,069	0.44	(100,892)	(96.95)
Aid from other governments	0	0.00	26,540	0.11	(26,540)	(100.00)
Other revenue - Fees	0	0.00	2,102	0.01	(2,102)	(100.00)
Other revenue - Loan payments	(19,399)	0.16	62	0.00	(19,461)	(313.89)
Total	\$ 11,922,386	100.00	\$ 23,601,768	100.00	(11,679,382)	(49.49)

The following provides explanations in significant changes in revenues by source:

- Tax increment revenue decreased by \$10,997,422 due to the shorter time period of 7 months rather than the full 12 months.
- Interest income decreased by \$548,056 due to the shorter time period, lower fund balances and interest rates.
- Rents and concession decreased by \$100,892 due to the shorter time period and transfer of properties to the County in the previous fiscal year.

The current year excess of revenues and other financing sources over expenditures and other financing uses is presented below:

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds						
	Major Funds				Nonmajor Funds	
	Tax Increment Revenue Fund	Administration Revenue Fund	Capital Projects Fund	LMIH Projects Fund	Trustee Funds	Total
Revenues	\$ 11,890,468	\$ (838)	\$ 10,387	\$ 21,397	\$ 972	\$ 11,922,386
Expenditures	(2,954)	1,070,559	1,349,641	149,750	11,223,467	13,790,463
Net other financing sources (uses)	<u>(12,962,091)</u>	<u>1,519,855</u>	<u>(10,961)</u>	<u>5,024,265</u>	<u>13,338,264</u>	<u>6,909,332</u>
Net change in fund balances	(1,068,669)	448,458	(1,350,215)	4,895,912	2,115,769	5,041,255
Fund balances, beginning	<u>22,695,051</u>	<u>984</u>	<u>3,716,759</u>	<u>22,513,212</u>	<u>17,898,385</u>	<u>66,824,391</u>
Fund balances, ending	<u>21,626,382</u>	<u>449,442</u>	<u>2,366,544</u>	<u>27,409,124</u>	<u>20,014,154</u>	<u>71,865,646</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Agency's investment in capital assets, net of related debt, for its governmental activities as of January 31, 2012, amounted to \$16,309 (net of accumulated depreciation). This investment in capital assets includes structures and improvements, and other equipment.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Increase/(Decrease)
	January 31, 2012	2011	% of Change
Land	\$ 0	\$ 0	0.00%
Construction in Progress	0	0	0.00%
Structures and Improvements	35,204	35,204	0.00%
Equipment	76,941	76,941	0.00%
Total cost	112,145	112,145	0.00%
Less: accumulated depreciation	(95,836)	(93,051)	2.99%
Capital assets, net	\$ 16,309	\$ 19,094	(14.59%)

Long-term debt

At January 31, 2012, the Agency had total long-term debt outstanding of \$243,948,883 as compared to \$248,296,880 in the prior year. This amount was comprised of \$244,560,000 of tax allocation bonds (including current portion of \$0), (\$662,340) of unamortized bond discounts and premiums (including current portion of \$0), and \$51,223 of compensated absences payable (including current portion of \$0).

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Santa Cruz County Auditor-Controller, 701 Ocean Street, Room 100, Santa Cruz, CA 95060.

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BASIC FINANCIAL STATEMENTS



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Santa Cruz County Redevelopment Agency
Statement of Net Assets
January 31, 2012

	Governmental Activities
ASSETS	
Current Assets:	
Cash and investments	\$ 8,810,310
Restricted cash with fiscal agent	3,960,000
Accounts receivable	-
Total current assets	<u>12,770,310</u>
Noncurrent Assets:	
Restricted cash with fiscal agent	16,054,154
Loans receivable - housing	43,220,784
Land held for resale	235,029
Deferred bond issuance costs	3,913,330
Capital assets:	
Depreciable, net	16,309
Total capital assets	<u>16,309</u>
Total noncurrent assets	<u>63,439,606</u>
Total assets	<u>76,209,916</u>
LIABILITIES	
Current Liabilities:	
Accounts payable - claims	414,631
Interest payable	5,879,374
Total current liabilities	<u>6,294,005</u>
Long-Term Liabilities:	
Compensated absences - due in more than one year	51,223
Long-term debt - due in more than one year	243,897,659
Total long-term liabilities	<u>243,948,882</u>
Total liabilities	<u>250,242,887</u>
NET ASSETS	
Invested in capital assets, net of related debt	16,309
Restricted for:	
Capital projects	2,366,544
Low and moderate income housing projects	47,534,733
Debt service	20,014,154
Unrestricted	(243,964,711)
Total net assets (deficit)	<u>\$ (174,032,971)</u>

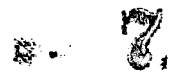
See accompanying Notes to Basic Financial Statements.



**Santa Cruz County Redevelopment Agency
Statement of Activities and Changes in Net Assets
For the seven months ended January 31, 2012**

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Primary government:			
Governmental activities:			
Public ways and facilities	\$ 1,997,662	\$ -	\$ (1,997,662)
Interest and fiscal charges on long-term debt (unallocated)	8,390,485	-	(8,390,485)
Total governmental activities	\$ 10,388,147	\$ -	(10,388,147)
 General Revenues:			
Incremental property taxes			11,882,927
Interest Earnings:			
Unrestricted			54,709
Restricted			972
Other Revenue:			
Rental revenue			3,177
Miscellaneous			(9,800)
Gain/(Loss) on conversion of debt			5,024,265
Total general revenues			16,956,250
Transfers from primary government			1,875,468
Change in net assets			8,443,571
Net assets - beginning of year			(182,476,542)
Net assets - end of year			\$ (174,032,971)

See accompanying Notes to Basic Financial Statements.



Santa Cruz County Redevelopment Agency
Balance Sheet
Governmental Funds
January 31, 2012

	Special Revenue Funds				Debt Service	Total Governmental Funds
	Tax Increment Revenue	Administrative Revenue	Capital Project	LMIH Project	Trustee	
ASSETS						
Cash with County Treasury	\$ 5,209,249	\$ 451,298	\$ 2,739,721	\$ 410,042	\$ -	\$ 8,810,310
Cash restricted for debt service	-	-	-	-	20,014,154	20,014,154
Receivables:						
Loans - Housing	16,214,076	-	-	27,006,708	-	43,220,784
Land held for resale	235,029	-	-	-	-	235,029
Due from other funds		31,829	-	-	-	31,829
Total assets	\$ 21,658,354	\$ 483,127	\$ 2,739,721	\$ 27,416,750	\$ 20,014,154	\$ 72,312,106
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable - claims	\$ 143	\$ 33,685	\$ 373,177	\$ 7,626	\$ -	\$ 414,631
Due to other funds	31,829	-	-	-	-	31,829
Total liabilities	31,972	33,685	373,177	7,626	-	446,460
Fund Balances:						
Restricted	21,626,382	449,442	2,366,544	27,409,124	20,014,154	71,865,646
Total fund balances	21,626,382	449,442	2,366,544	27,409,124	20,014,154	71,865,646
Total liabilities and fund balances	\$ 21,658,354	\$ 483,127	\$ 2,739,721	\$ 27,416,750	\$ 20,014,154	\$ 72,312,106

See accompanying Notes to Basic Financial Statements

Santa Cruz County Redevelopment Agency
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
For the seven months ended January 31, 2012

Total fund balances reported on the governmental funds balance sheet \$ 71,865,646

Amounts reported for governmental activities in the Statement of Net Assets were different because:

CAPITAL ASSETS

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds. 16,309

LONG TERM ASSETS AND LIABILITIES

Bond issuance costs from issuing debt were expenditures in the governmental funds. However, they were deferred and subject to capitalization and amortization in the Government-Wide Financial Statements. 3,913,330

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds. (5,879,374)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental funds:

Bonds payable, net of unamortized loss of defeasance, premium and discount:		
Due in more than one year	(243,897,659)	
Compensated absences:		
Due in more than one year	<u>(51,223)</u>	<u>(243,948,882)</u>

Net Assets of Governmental Activities **\$ (174,032,971)**

See accompanying Notes to Basic Financial Statements.

Santa Cruz County Redevelopment Agency
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the seven months ended January 31, 2012

	Special Revenue Funds				Debt Service	Total
	Tax Increment Revenue	Admin. Revenue	Capital Project	LMIH Project	Trustee	Governmental Funds
REVENUES:						
Incremental property taxes	\$ 11,850,929	\$ -	\$ -	\$ -	\$ -	\$ 11,850,929
Penalties and interest on delinquent taxes	31,998	-	-	-	-	31,998
Interest income - County pool	14,769	(838)	10,387	12,827	-	37,145
Interest income - investment banks	-	-	-	-	972	972
Interest income - loans	17,101	-	-	463	-	17,564
Rents and concessions	372	-	-	2,805	-	3,177
Loan Repayments - Principal	65,693	-	-	167,978	-	233,671
Repaid Loan Offset	(90,394)	-	-	(162,676)	-	(253,070)
Total revenues	11,890,468	(838)	10,387	21,397	972	11,922,386
EXPENDITURES:						
Current:						
Public ways and facilities:						
Administrative costs	(1)	358,496	-	-	-	358,495
Professional services	-	281,330	44,607	17,253	-	343,190
Accounting services	-	10,175	-	-	-	10,175
Legal services	-	32,834	-	-	-	32,834
Planning Survey and Design services	-	387,724	22,842	-	-	410,566
Real estate purchases	(2,953)	-	-	-	-	(2,953)
Operation of acquired property	-	-	-	21,234	-	21,234
Relocation costs and payments	-	-	-	-	-	-
Project improvement costs	-	-	1,282,192	111,263	-	1,393,455
Disposal costs	-	-	-	-	-	-
Rehabilitation costs and grants	2,177,780	-	-	5,012,396	-	7,190,176
Loan receivable offset	(2,177,780)	-	-	(5,012,396)	-	(7,190,176)
Debt service:						
Principal retirement	-	-	-	-	4,115,000	4,115,000
Interest and fiscal charges	-	-	-	-	7,108,467	7,108,467
Total expenditures	(2,954)	1,070,559	1,349,641	149,750	11,223,467	13,790,463
REVENUES OVER (UNDER)	11,893,422	(1,071,397)	(1,339,254)	(128,353)	(11,222,495)	(1,868,077)
EXPENDITURES						
OTHER FINANCING SOURCES (USES):						
Sale of Fixed Assets	9,599	-	-	-	-	9,599
Gain on conversion of debt	-	-	-	5,024,265	-	5,024,265
Transfers in (Operating within RDA)	1,240	1,521,095	-	-	13,338,264	14,860,599
Transfers in (from Primary Gov - County)	1,886,429	-	-	-	-	1,886,429
Transfers out (Operating within RDA)	(14,859,359)	(1,240)	-	-	-	(14,860,599)
Transfers out (to Primary Gov - County)	-	-	(10,961)	-	-	(10,961)
Total other financing sources (uses)	(12,962,091)	1,519,855	(10,961)	5,024,265	13,338,264	6,909,332
Net change in fund balance	(1,068,669)	448,458	(1,350,215)	4,895,912	2,115,769	5,041,255
FUND BALANCES:						
Beginning of year	22,695,051	984	3,716,759	22,513,212	17,898,385	66,824,391
End of year	\$ 21,626,382	\$ 449,442	\$ 2,366,544	\$ 27,409,124	\$ 20,014,154	\$ 71,865,646

See accompanying Notes to Basic Financial Statements.

Santa Cruz County Redevelopment Agency
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets
For the seven months ended January 31, 2012

Net Change in Fund Balances - Total Governmental Funds \$ 5,041,255

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:

CAPITAL ASSETS TRANSACTIONS

Governmental funds reported acquisition of capital assets as part of capital outlay expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over their estimated useful lives as depreciation expense:

- Current year depreciation (2,785)

LONG TERM DEBT AND PAYMENTS

Repayment of debt principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets:

- Principal retirement 4,115,000

Issuance of long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Assets. Also, governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

- Bond issuance costs 321,924

Some expenses reported in the Governmental-Wide Statement of Activities and Changes in Net Assets do not require the use of current financial resources. Therefore, they are not reported as expenditures in the governmental funds:

- Change in interest payable (1,140,396)

- Amortization of bond fees and premium and discount (141,622)

- Change in long-term compensated absences 250,195

Change in Net Assets of Governmental Activities \$ 8,443,571

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements
For the 7 month period ended January 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County of Santa Cruz Redevelopment Agency (Agency), a component unit of the County of Santa Cruz, California (County), have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applies to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

A. Reporting Entity

The County was incorporated in 1850 under the provisions of Article II, Section 3 of the California State Constitution and is a general law county. The Agency was activated by the Board of Supervisors with the adoption of Ordinance No. 3736 on April 1, 1986. The Board of Supervisors established the Live Oak/Soquel Community Improvement Project on May 12, 1987, by Ordinance No. 3836, pursuant to the California Community Redevelopment Law. The Live Oak/Soquel Community Improvement Project consists of approximately 3,760 acres encompassing the urban portions of two of the County's fifteen planning areas, the Live Oak Planning Area and the Soquel Planning Area.

The Agency is governed by the County Board of Supervisors serving in a separate capacity as the governing board of the Agency. As such, the Agency is included as a component unit of the County.

B. Basis of Accounting and Measurement Focus

The accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Agency resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government - Wide Financial Statements

The Agency's Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental Activities for the Agency.

The Government-Wide Financial Statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets and liabilities are included in the accompanying Statement of Net Assets. The Statement of Activities and Changes in Net Assets presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated. The following interfund activities have been eliminated:

- Due to and from other funds
- Transfers in and out

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all major governmental funds. All funds of the Agency are presented as major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally within 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Agency are property taxes, certain grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliations of the Governmental Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The Agency reports all of its funds as major governmental funds:

Tax Increment Revenue Fund - This fund is used for the accumulation of tax increment revenue and the allocation of this revenue for purposes including the payment of principal and interest on bonds, advances or other indebtedness or paying financing or carrying charges and to fund the expenses incurred in administering the Agency. For every redevelopment plan adopted after January 1, 1977, 20% of Tax Increment Revenues received by the Agency is to be set aside in a separate low and moderate income housing fund. In prior years, the Agency elected to set aside twenty percent (20%) of the Tax Increment Revenues received from the Redevelopment Project after deducting payments under the Pass-Through Agreements, in a Low and Moderate Income Housing Fund, commencing with Fiscal Year 1988-89. Beginning with 1993-94, per AB1290, the Agency is required to set aside twenty percent (20%) of the gross Tax Increment Revenues received from the Redevelopment Project after deducting only the General Fund and Schools' 2% Pass-Through, the State ERAF payment, and the County Tax Administrative Fee, set aside in a separate low and moderate income housing fund. Beginning July 1, 2002, per Board Resolution No. 292-2002, the Agency has set aside 25% through Fiscal Year 2009-10. On March 8, the Agency suspended the additional 5% Set Aside to the Low and Moderate Income Housing Fund per Board Resolution No. 85-2011 for the Fiscal Year 2010-11. With the dissolution of the Agency as of January 31, 2012, per Assembly Bill X1 26, the 20% Set Aside requirement no longer applied in fiscal year 2011-12. The Agency has pledged such amounts towards the repayment of the Bonds and any qualifying debt.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

Administration Revenue Fund - This fund is used to account for the costs of administering the Agency.

Capital Projects Fund - This fund is a general operating fund of the Agency and is funded by proceeds of bond issues. It is used to account for any lawful purpose in connection with financing the Redevelopment Project, including certain reimbursements for public improvements and other purposes authorized by the Redevelopment Plan, the State law, and the Bond Indenture, except those required to be accounted for in another fund.

Low/Moderate Income Housing Special Revenue Fund (LMIH) - This fund is a general operating fund of the Agency, funded by proceeds of bond issues, and is used for the purpose of increasing and improving the community's supply of low and moderate income housing available at affordable housing costs to persons and families of very low, low, or moderate income.

Debt Service Fund - This fund accounts for the accumulation of resources for payment of principal, interest and related costs of the Agency's long-term debt.

C. Cash, Cash Equivalents and Investments

The Agency maintains a cash balance in the County investment pool to meet current operating requirements. Cash in excess of current requirements is invested by the Agency in various interest-bearing securities and disclosed as part of the Agency's investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

D. Restricted Cash and Investments for Debt Service Fund

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursed fund. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as transfers.

F. Capital Assets

Government-Wide Financial Statements

The Agency's assets are capitalized at historical cost or estimated historical cost. The Agency's policy has set the capitalization threshold for reporting capital assets at \$5,000 (for equipment and vehicles) and \$25,000 (for buildings and structures). Gifts or contributions of capital assets are recorded at fair market value when received.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and structures	10-50 years
Equipment and vehicles	3-15 years

The Agency had no infrastructure assets at January 31, 2012.

Governmental Fund Financial Statements

The Governmental Fund Financial Statements do not present capital assets. As such, capital assets are shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

G. Long-Term Liabilities

Government-Wide Financial Statements

Long-term debt and other financed obligations are reported as liabilities in the Government-Wide Financial Statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.



Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Governmental Fund Financial Statements

The Governmental Fund Financial Statements do not present long-term debt. As such, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

H. Net Assets and Fund Balances

In the Government-Wide Financial Statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

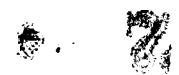
When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Agency's policy is to apply restricted net assets first.

In the Governmental Fund Financial Statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Agency is bound to honor constraints on how specific amounts can be spent.

Nonspendable fund balance - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted fund balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - amounts that can only be used for specific purposes determined by formal action of the Agency's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.



Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Net Assets and Fund Balances, Continued

Assigned fund balance - amounts that are constrained by the Agency's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.

Unassigned fund balance - the residual classification for the Agency's Funds that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Agency Board of Directors establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution.

The Agency considers restricted fund balances to be spent first when both restricted and unrestricted resources are available for use. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Agency considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. The Agency had only restricted fund balances at January 31, 2012.

I. Property Taxes

All property taxes are levied, collected, and allocated by the County to the various taxing entities including the Agency. All property taxes are determined annually on July 1 and attached as an enforceable lien on January 1. Secured property taxes are due in two installments on November 1 and February 1 and become delinquent, if unpaid, on December 10 and April 10, respectively. Property tax revenues include only property taxes resulting from increased assessed values within the boundaries of the Agency and are recognized in the fiscal year for which the taxes have been levied and apportioned to the Agency's accounts by the County.

Incremental property tax revenues represent excess taxes levied in the redevelopment project area over that amount levied in the base year (the inception year of the redevelopment project area). The Agency dissolved as of January 31, 2012, so it only received incremental property tax revenues for the first installment.

The County bills and collects property taxes and remits them to the Agency. The Agency participates in the County "Teeter Plan" method of property tax distribution. Under the Teeter Plan, the County remits property taxes to the Agency based upon assessments, not collections. Property tax revenue is recognized when it is available and measurable.

J. Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Low and Moderate Income Housing

The California Health and Safety Code requires Agency project areas to deposit 20% of allocated incremental property tax revenues (or 20% of net bond proceeds plus 20% of tax incremental revenues in excess of debt service payments on the bond) into a Low and Moderate Income Housing Fund. This money is restricted for the purpose of increasing or improving the community's supply of low and moderate income housing. The Agency accounts for these revenues in a special revenue fund.

2. CASH AND INVESTMENTS

A. Summary of Deposit and Investment Balances

Cash and investments consisted of the following at January 31, 2012:

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Pooled cash and investments held by the County of Santa Cruz	\$ -	\$ 8,810,310	\$ 8,810,310
Cash with fiscal agent	<u>20,014,154</u>	<u>-</u>	<u>20,014,154</u>
Total	<u>\$ 20,014,154</u>	<u>\$ 8,810,310</u>	<u>\$ 28,824,464</u>

B. Cash Held with the Santa Cruz County Treasury

The Agency pools cash from all sources and all funds except cash and investments with fiscal agents with the County Treasurer so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. The Santa Cruz County Treasury Oversight Committee oversees the Treasurer's investments and policies.

The California Government Code requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

The market value of pledged securities must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits. The County may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.



Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

2. CASH AND INVESTMENTS, Continued

C. Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	100%	None
U.S. Treasury obligations	5 years	100%	None
U.S. Government Agency obligations	None	25%	None
State of California obligations	5 years	100%	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	40%	10%
Negotiable certificates of deposit	5 years	30%	None
Non-negotiable certificates of deposit	180 days	10%	10%
Repurchase agreements	1 year	100%	None
Medium-term notes	5 years	30%	None
Mutual funds/money market mutual funds	N/A	10%	10%
Local Agency Investment Fund (LAIF)	N/A	\$50 million	None
Joint Powers Authority investment funds	None	25%	None

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at cost, as the fair market value adjustment at the year end was immaterial.

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the County's investment policy.

D. Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

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2. CASH AND INVESTMENTS, Continued

E. Concentration of Credit Risk

At January 31, 2012, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds or medium term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

F. Custodial Credit Risk

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

G. Local Agency Investment Fund

The County is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The County's investments with LAIF at January 31, 2012, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of January 31, 2012, the County invested in LAIF, which had invested 0.51% of the pool investment funds in Structured Notes and Asset-Backed Securities. As of January 31, 2012, the LAIF fair value factor of 1.001219643 was used to calculate the fair values of the investments in LAIF.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

H. Cash Held with Fiscal Agent

Cash and investments with fiscal agents in the amount of \$20,014,154 included certain amounts which are held by fiscal agents to be used for payment of long term debt. These funds have been invested as permitted by applicable County ordinance and resolutions.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

3. LAND HELD FOR RESALE

Due to the current economic downturn, there is an increased threat of foreclosure on housing units with affordability restrictions, which may result in the loss of the affordability restriction. The Agency has invested considerable resources to create housing units with affordability restrictions. It has implemented a program to retain the affordability restrictions by purchasing threatened units and re-selling them to income eligible buyers. At January 31, 2012, the Agency had assets of \$235,029 in Land Held for Resale.

4. INTERFUND TRANSACTIONS

A. Due To and Due From Other Funds

At January 31, 2012, the Agency had the following due to/from other funds:

	Due from Other funds		
	Tax Increment Revenue	Administrative Revenue	Total
Due to other funds			
Tax Increment Revenue	-	31,829	31,829
	\$ -	\$ 31,829	\$ 31,829

The due to and due from transactions within the Agency were made to allow for pass-through funds, project costs, and administrative costs.

B. Transfers

At January 31, 2012, the Agency had the following transfers in/out:

Transfer Out	Transfer In			Total
	Debt Service	Tax Increment Revenue	Administrative Revenue	
Tax Increment Revenue	\$ 13,338,264	\$ -	\$ 1,521,095	\$ 14,859,359
Administrative Revenue	-	1,240	-	1,240
	\$ 13,338,264	\$ 1,240	\$ 1,521,095	\$ 14,860,599

Transfers within the Agency were used to move funds for operating expenses and debt service payments.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

4. INTERFUND TRANSACTIONS, Continued

At January 31, 2012, the Agency had the following transfers in from/ out to the Primary Government (County):

Transfer Out	Transfer In		Total
	County of Santa Cruz	Tax Increment Revenue	
Capital Projects	\$ 10,961	\$ -	\$ 10,961
County of Santa Cruz		1,886,429	1,886,429
	<u>\$ 10,961</u>	<u>\$ 1,886,429</u>	<u>\$ 1,897,390</u>

Some previous transfers to the Primary Government (County), used to move funds for services per the Amended and Restated Cooperation Agreement, adopted February 15, 2011, were reversed in this period.

5. LOANS RECEIVABLE

As of January 31, 2012, loans receivable consisted of the following:

RDA Housing Loan	Special Revenue Funds		Total Governmental Funds
	Tax Increment Revenue	Low and Moderate Income Housing Project	
Aptos Cottages (Miller)	\$ -	\$ 3,150,000	\$ 3,150,000
Felton Faire Predevelopment	-	1,667,863	1,667,863
First time homebuyer	5,728,796	340,192	6,068,988
Golden Torch	-	1,296,239	1,296,239
Housing for independent people	-	40,940	40,940
Marmo's	1,500,000	142,323	1,642,323
McGregor	891,748	-	891,748
McGregor II	-	2,943,763	2,943,763
McIntosh Coach Purchases	-	104,656	104,656
McIntosh Coach Purchase #12	98,000	-	98,000
Mercy - McIntosh (Coach Loan)	-	348,666	348,666
Mercy - Rehab	-	95,237	95,237
Minto	2,177,780	8,013,963	10,191,743
Mobile Home Change Out Program	5,464,980	-	5,464,980
Mobile Home Rehab	352,772	23,069	375,841
Pacific Family - SCH	-	2,973,314	2,973,314
Pacific Family Coach Acquisitions	-	261,940	261,940
Pleasant Acres Permanent Financing	-	3,512,452	3,512,452
Pleasant Acres Coach Acquisitions	-	124,875	124,875
San Andreas	-	700,000	700,000
Sorrento Oaks	-	10,000	10,000
Vista Verde Family Housing	-	1,165,000	1,165,000
St. Stephens Predevelopment	-	92,216	92,216
Total assets	<u>\$ 16,214,076</u>	<u>\$ 27,006,708</u>	<u>\$ 43,220,784</u>

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

5. LOANS RECEIVABLE, Continued

	Balance June 30, 2011	Increases	Decreases	Balance January 31, 2012
<u>Aptos Cottages (Miller)</u>				
Original amount: \$3,150,000				
Deferred until permanent financing				
Interest : 0.00%				
Principal	\$ 3,150,000	\$ -	\$ -	\$ 3,150,000
<u>Felton Housing Site</u>				
Original amount: \$1,667,863				
Deferred until 6/1/10				
Interest : 3.00%				
Principal	1,667,863	-	-	1,667,863
<u>First Time Homebuyers</u>				
Original amount: \$5,378,523				
Aggregate balance is comprised of multiple loans to individual homebuyers				
Interest : 0.00% - 5.00%				
Principal	6,090,206	-	(21,218)	6,068,988

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

5. LOANS RECEIVABLE, Continued

	Balance June 30, 2011	Increases	Decreases	Balance January 31, 2012
<u>Golden Torch (Parkhurst Terrace)</u>				
Original amount: \$2,316,427				
Aggregate balance is comprised of multiple loans to Mid-Peninsula Housing, a non-profit affordable housing developer, deferred until 2061				
Interest : 0.00%				
Principal	\$ 1,296,239	\$ -	\$ -	\$ 1,296,239
<u>Housing for Independent People</u>				
Original amount: \$40,940				
Deferred until 11/01/35				
Interest : 0.00%				
Principal	40,940	-	-	40,940
<u>Marmo's</u>				
Original amount: \$1,500,000				
Deferred until 11/27/57				
Interest : 0.00%				
Principal	1,642,323	-	-	1,642,323
<u>McGregor</u>				
Original amount: \$948,250				
Deferred until 1/25/60				
Interest : 3.00%				
Principal	891,748	-	-	891,748
<u>McGregor II</u>				
Original amount: \$2,943,763				
Aggregate balance is comprised of multiple loans to South County Housing, a non-profit affordable housing developer, with varying terms and payment schedules				
Interest : 0.00% - 4.00%				
Principal	2,943,281	482	-	2,943,763
<u>McIntosh Coach Replacement Program</u>				
Original amount: \$129,727				
Aggregate balance is comprised of multiple loans to Mercy Charities Housing, a non-profit affordable housing developer, with varying terms and payment schedules				
Interest : 3.00%				
Principal	205,765	-	(3,109)	202,656

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

5. LOANS RECEIVABLE, Continued

	Balance June 30, 2011	Increases	Decreases	Balance January 31, 2012
<u>Mercy McIntosh</u>				
Original amount: \$290,000				
\$4,500 minimum annual payment				
Interest : 3.00% compounding annually				
Principal	\$ 348,666	\$ -	\$ -	\$ 348,666
<u>Mercy McIntosh Rehab</u>				
Original amount: \$70,000				
Annual payment contingent upon positive net cash flow				
Interest : 3.00% compounding annually				
Principal	95,237	-	-	95,237
<u>Mobile Home Change Out</u>				
Original amount: \$5,517,980				
Aggregate balance is comprised of multiple loans to individuals with Shared Application, deferred until sale/transfer.				
Interest : 0.00%				
Principal	5,517,980	-	(53,000)	5,464,980
<u>Mobile Home Rehab</u>				
Original amount: \$416,702				
Aggregate balance is comprised of multiple loans to individuals with varying terms and payment schedules				
Interest : 3.00%				
Principal	392,017	-	(16,176)	375,841
<u>Pacific Family - SCH</u>				
Original amount: \$1,242,565				
Original amount to be rolled into permanent financing				
Interest : 0.00%				
Principal	1,043,314	1,930,000	-	2,973,314
<u>Pacific Family Coach Acquisitions</u>				
Original amount: \$456,154				
Deferred until project completion				
Interest : 3.00%				
Principal	261,940	-	-	261,940



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Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

5. LOANS RECEIVABLE, Continued

	Balance June 30, 2011	Increases	Decreases	Balance January 31, 2012
Pleasant Acres				
Original amount: \$3,879,582				
Aggregate balance is comprised of multiple loans with varying terms and payment schedules				
Interest : 0.00% - 1.00%				
Principal	\$ 3,672,019	\$ -	\$ (159,567)	\$ 3,512,452
Pleasant Acres Coach Acquisition				
Original amount: \$184,650				
Aggregate balance is comprised of multiple loans with varying terms and payment schedules				
Interest : 3.00%				
Principal	124,875	-	-	124,875
San Andreas				
Original amount: \$700,000				
Balloon payment due 1/06/55				
Interest : 3.00%				
Principal	700,000	-	-	700,000
Sorrento Oaks				
Original amount: \$10,000				
Deferred until sale or transfer				
Interest : 3.00%				
Principal	10,000	-	-	10,000
Vista Verde				
Original amount: \$1,165,000				
Aggregate balance is comprised of multiple loans to Vista Verde Housing Associates, a non-profit affordable housing developer. Terms and payment schedules vary.				
Interest : 3.00% - 4.00%				
Principal	1,165,000	-	-	1,165,000
Minto				
Original amount: \$5,484,948				
Deferred until 55 years after 50% of units are leased.				
Interest : 3.00%				
Principal	-	13,291,743	(3,100,000)	10,191,743
St. Stephens				
Original amount: \$423,500				
Original amount to be rolled into permanent financing				
Interest : 0.00%				
Principal	-	92,216	-	92,216
Total	\$ 31,259,413	\$ 15,314,441	\$ (3,353,070)	\$ 43,220,784

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Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

6. CAPITAL ASSETS

Capital assets of the Agency at January 31, 2012 are presented in the table below.

	Balance June 30, 2011	Additions	Deletions	Balance January 31, 2012
Non-depreciable assets:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total non-depreciable assets:	-	-	-	-
Depreciable assets:				
Buildings and improvement	35,204	-	-	35,204
Machinery and equipment	76,941	-	-	76,941
Total depreciable assets:	112,145	-	-	112,145
Less accumulated depreciation for:				
Buildings and improvement	(24,640)	(685)	-	(25,325)
Machinery and equipment	(68,411)	(2,100)	-	(70,511)
Total accumulated depreciation:	(93,051)	(2,785)	-	(95,836)
Total depreciable assets, net:	19,094	(2,785)	-	16,309
Total Capital Assets	\$ 19,094	\$ (2,785)	\$ -	\$ 16,309

Depreciation expense was charged to functions/ programs of the governmental activities as follows:

Governmental activities:	
Public ways and facilities	
Total depreciation expense - governmental activities	<u>\$ 2,785</u>

7. RELATED PARTY TRANSACTIONS

County personnel provide management, accounting, and legal services to the Agency. Total charges for such services in the period ended January 31, 2012 were approximately \$681,569 and are included in total expenses.



Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

8. LONG-TERM DEBT

Activity in long-term debt at January 31, 2012, was as follows:

Description	Original Issue Amount	Beginning Balance June 30, 2011	Additions	Retirements	Ending Balance January 31, 2012
Tax Allocation Bonds					
2000 Subordinate	17,855,000	11,875,000	-	(755,000)	11,120,000
Subordinate 2000					
Series A	27,415,000	25,895,000	-	(210,000)	25,685,000
2003 Refunding	48,435,000	35,800,000	-	(2,020,000)	33,780,000
Unamortized bond discount	(194,382)	(123,108)	-	5,670	(117,438)
2005 Series A	47,860,000	47,860,000	-	-	47,860,000
Unamortized bond premium	468,371	390,310	-	(9,108)	381,202
2005 Taxable Series B	21,000,000	19,690,000	-	(250,000)	19,440,000
Unamortized bond discount	(45,159)	(37,633)	-	878	(36,755)
2007 Refunding	10,755,000	10,365,000	-	(85,000)	10,280,000
2007 Refunding Series A	7,370,000	6,190,000	-	(405,000)	5,785,000
Unamortized bond premium	224,669	170,051	-	(8,737)	161,314
2009 Series A	55,970,000	55,590,000	-	(390,000)	55,200,000
Unamortized bond discount	(180,815)	(164,889)	-	3,907	(160,982)
2010 Taxable Series	18,500,000	18,500,000	-	-	18,500,000
Unamortized bond discount	(462,750)	(462,750)	-	10,797	(451,953)
2011 Series A	11,315,000	11,315,000	-	-	11,315,000
Unamortized bond discount	(247,945)	(247,945)	-	9,040	(238,905)
2011 Series B	5,595,000	5,595,000	-	-	5,595,000
Unamortized bond discount	(203,574)	(203,574)	-	4,750	(198,824)
Total Tax Allocation Bonds		247,995,462	-	(4,097,803)	243,897,659
Compensated absences		301,418	-	(250,195)	51,223
Total Governmental Activities		<u>\$ 248,296,880</u>	<u>\$ -</u>	<u>\$ (4,347,998)</u>	<u>\$ 243,948,882</u>

Due to the dissolution of the Agency as of January 31, 2012, \$243,948,882 in long-term debt was assumed by the Santa Cruz County Redevelopment Successor Agency. See the Basic Financial Statements for the period ended June 30, 2012, for the Santa Cruz County Redevelopment Successor Agency, for information on \$243,962,239 in long-term debt (\$4,969,184 due within one year and \$238,993,055 due in more than one year) as of June 30, 2012.

2000 Subordinate Tax Allocation Refunding Bonds

In August, 2000, the Agency issued the 2000 Subordinate Tax Allocation Refunding Bonds (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$17,855,000. Interest from 4.25% to 5.25% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$11,120,000. Principal and interest paid for the current period were \$1,052,720.

2000 Series A Subordinate Tax Allocation Bonds

In December, 2000, the Agency issued Subordinate Tax Allocation Bonds, 2000 Series A (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$27,415,000. Interest from 5.0% to 5.375% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$25,685,000. Principal and interest paid for the current period were \$895,306.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

8. LONG-TERM DEBT, Continued

2003 Tax Allocation Refunding Bonds

On August 28, 2003, the Agency issued 2003 Tax Allocation Refunding Bonds (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$48,435,000. Interest from 2.00% to 5.00% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$33,780,000 and the unamortized bond discount was \$117,438. Principal and interest paid for the current period were \$2,822,518.

2005 Series A Subordinate Tax Allocation Bonds

On November 17, 2005, the Agency issued Subordinate Tax Allocation Bonds, 2005 Series A (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$47,860,000. Interest from 4.5% to 5.0% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$47,860,000 and the unamortized bond premium was \$381,202. Principal and interest paid for the current period were \$1,173,328.

2005 Series B Subordinate Tax Allocation Bonds

On November 17, 2005, the Agency issued Subordinate Tax Allocation Bonds, 2005 Taxable Series B (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$21,000,000. Interest from 5.0% to 5.650% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$19,440,000 and the unamortized bond discount was \$36,755. Principal and interest paid for the current period were \$799,923.

2007 Taxable Subordinate Tax Allocation Refunding Bonds

On May 8, 2007, the Agency issued Subordinate Tax Allocation Refunding Bonds, 2007 Taxable (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$10,755,000. Interest from 5.208% to 5.495% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$10,280,000. Principal and interest paid for the current period were \$368,788.

2007 Series A Tax Allocation Refunding Bonds

On November 7, 2007, the Agency issued Tax Allocation Refunding Bonds, 2007 Series A (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$7,370,000. Interest from 4.00% to 5.25% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$5,785,000 and the unamortized bond premium was \$161,314. Principal and interest paid for the current period were \$535,144.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

8. LONG-TERM DEBT, Continued

2009 Series A Tax Allocation Bonds

On February 12, 2009, the Agency issued Tax Allocation Bonds, 2009 Series A (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$55,970,000. Interest from 3.25% to 7.00% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$55,200,000 and the unamortized bond discount was \$160,982. Principal and interest paid for the current period were \$2,266,004.

2010 Taxable Housing Tax Allocation Bonds

On July 22, 2010, the Agency issued Tax Allocation Bonds, 2010 Taxable Housing Tax Allocation Bonds (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$18,500,000. Interest from 2.95% to 7.40% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$18,500,000 and the unamortized bond discount was \$451,953 . Principal and interest paid for the current period were \$659,203.

2011 Series A Taxable Tax Allocation Bonds

On March 9, 2011, the Agency issued Tax Allocation Bonds, 2011 Series A Taxable Tax Allocation Bonds in the original amount of \$11,315,000. Interest from 3.10% to 9.00% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$11,315,000 and the unamortized bond discount was \$238,905. Principal and interest paid for the current period were \$420,358.

2011 Series B Taxable Housing Tax Allocation Bonds

On March 9, 2011, the Agency issued Tax Allocation Bonds, 2011 Series B Taxable Housing Tax Allocation Bonds in the original amount of \$5,595,000. Interest from 3.10% to 9.25% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of January 31, 2012, the total principal balance was \$5,595,000 and the unamortized bond discount was \$198,824. Principal and interest paid for the current period were \$230,175.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

8. LONG-TERM DEBT, Continued

Pledges of future revenues

The Agency has pledged to the repayment of the 2000 Subordinate Refunding Bonds, the 2000 Series A Subordinate Bonds, the 2003 Refunding Bonds, the 2005 Series A Bonds, the 2005 Series B Subordinate Bonds, the 2007 Taxable Subordinate Refunding Bonds, the 2007 Series A Refunding Bonds, the 2009 Series A Bonds, the 2010 Taxable Housing Bonds, the 2011 Series A Taxable Bonds, and the 2011 Series B Taxable Housing Bonds (the "Bonds") Tax Revenues of the Agency's Live Oak/Soquel Community Improvement Project Area pursuant to the various applicable Indentures of Trust, through the final maturity of the Bonds on March 1, 2037, or early retirement of the Bonds, whichever occurs first. Tax Revenues consist of tax increment revenues allocated to the Agency with respect to the Live Oak/Soquel Community Improvement Project Area pursuant to Section 33670 of the Redevelopment Law excluding (i) that portion of such tax increment revenues required to be paid under the Tax-Sharing Agreements, unless the payment of such amounts has been subordinated to the payment of debt service on the bonds; (ii) the School District Election amount; and (iii) amounts required to be paid as statutory tax sharing. Annual principal and interest payments on the bonds are expected to require 92 percent of tax revenues. The total principal and interest remaining to be paid on the Bonds is \$476,091,677.

At January 31, 2012, the total tax revenues for the current period were \$11,850,929, and the total debt service payment was \$11,223,467. During the 7 month period ended January 31, 2012, bond debt service payments required 94.71% of the total tax increment revenues. The ratio of tax revenues to the bonds debt service payments due during the 7 month period ended January 31, 2012, was 1.06 (106%). The Santa Cruz County Redevelopment Successor Agency assumed all assets and liabilities of the Agency as of February 1, 2012.

Compensated Absences

Compensated absences are not accrued in governmental funds. At January 31, 2012, Agency liabilities included approximately \$30,622 vacation pay, \$7,791 sick pay and \$9,170 in other employee leave, for a total of \$47,583. These amounts do not exceed normal year's accumulation. The compensated absences total has been increased by 7.65% for an adjusted total of \$51,223. Adequate amounts are appropriated annually to pay these obligations out of available financial resources.

GASB Statement No. 16, which became effective for the 1993-94 fiscal year, requires the Agency to accrue the current portion of the liability. The Agency's current portion of the liability is \$0. The Santa Cruz County Redevelopment Successor Agency assumed all assets and liabilities of the Agency as of February 1, 2012.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

9. RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; medical malpractice; unemployment coverage and dental benefits to employees. The Agency is covered under the County's insurance policies. The County is self-insured for its general and auto liability, workers' compensation, medical malpractice, and employees' dental coverage. The County has chosen to establish risk-financing internal service funds where funds are set aside for claim settlements associated with the above risk of loss up to certain limits. Excess coverage is provided by the California State Association of Counties (CSAC) Excess Insurance Authority (Insurance Authority), a joint powers authority whose purpose is to develop and fund programs of excess insurance for its member counties. The Insurance Authority is governed by a Board of Directors consisting of representatives of the member counties. Self-insurance limits per occurrence and Insurance Authority limits per year are presented in the County's financial statement. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years for the Agency.

County-wide information concerning risks, insurance policy limits, deductible and designation for the period ended January 31, 2012, may be found in the notes of the County's basic financial statements as of June 30, 2012.

10. ARBITRAGE REBATE PAYABLE

Section 148 of the Internal Revenue Code requires issuers of most types of tax-exempt bonds to rebate investment earnings in excess of bond yield to the United States Internal Revenue Service in installment payments made at least once every five years, with the final installment made when the last bond in the issue is redeemed.

The 2000 Subordinate Tax Allocation Refunding Bonds are subject to this requirement. The most recent Interim Arbitrage Rebate Analysis was completed September 20, 2010. There was no rebate due to the government.

The 2000 Series A Subordinate Tax Allocation Bonds are subject to this requirement. The most recent Interim Arbitrage Rebate Analysis was completed September 27, 2010. There was no rebate due to the government.

The 2005 Series A Subordinate Tax Allocation Bonds are subject to this requirement. The most recent Interim Arbitrage Rebate Analysis was completed November 27, 2010. There was no rebate due to the government.

Future computations of the rebate requirement for the tax allocation bonds and new bond issues will be calculated by a consulting firm as the Agency management considers appropriate. Agency management, as of January 31, 2012, believes there are no arbitrage rebate liabilities.

11. COMMITMENTS AND CONTINGENCIES

A. Lawsuits

The Agency is presently involved in certain matters of litigation that have arisen in the normal course of conducting Agency business. Agency management believes, based upon consultation with the Agency Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the Agency. Additionally, Agency management believes that the Agency's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.



Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

11. COMMITMENTS AND CONTINGENCIES, Continued

B. Commitments

The following is a list of commitments at January 31, 2012:

LION Program	\$ 55,090
The Farm Park	40,901
East Cliff Beach Improvements	2,552,530
Twin Lakes Beach Improvements	24,361
East Cliff Stabilization Project	55,406
Live Oak Resource Center	22,026
St. Stephens Affordable Housing	331,284
Gemma Program Housing	19,875
Total	\$ 3,101,473

As of January 31, 2012, in the opinion of Agency management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the Agency. The Santa Cruz County Redevelopment Successor Agency assumed all assets and liabilities of the Agency as of February 1, 2012.

12. RESTRICTED NET ASSETS

Restricted net assets are net assets whose use is subject to constraints that are either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. At January 31, 2012, the Agency had \$47,534,733 restricted for low income housing, which is restricted by enabling legislation.

13. EXCESS OF EXPENDITURE OVER APPROPRIATIONS

The following funds had expenditures that exceeded appropriations:

<u>Account with excess expenditure</u>	<u>Excess Amount</u>
Capital Projects Fund:	
Professional Services	\$ 44,607
Total	<u>\$ 44,607</u>
LMIH Projects Fund:	
Operation of Acquired Property	20,125
Total	<u>\$ 20,125</u>



Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

13. EXCESS OF EXPENDITURE OVER APPROPRIATIONS, Continued

Expenditures in excess of appropriations are explained as follows:

Capital Project Fund - These overages are due to certain expenditures being accounted for in expenditure categories other than those anticipated during the budgeting process and are offset by under expenditures in other categories.

LMIH Project fund - These overages are due to certain expenditures being accounted for in expenditure categories other than those anticipated during the budgeting process and are offset by under expenditures in other categories.

14. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES

On June 29, 2011, the Governor of the State of California signed Assembly Bill X1 26 as part of the State's budget package. The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bill X1 26 on the grounds that it violates the California Constitution. On August 11, 2011, the California Supreme Court issued a stay of most of Assembly Bill X1 26. On December 29, 2011, the California Supreme Court issued a ruling upholding Assembly Bill X1 26, with provision to delay certain implementation dates in Assembly Bill X1 26 by four months. Assembly Bill X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency.

Per Assembly Bill X1 26, the Agency dissolved as of January 31, 2012. On January 10, 2012, per Resolution No. 5-2012, the County of Santa Cruz elected to assume the duties of the Santa Cruz County Redevelopment Successor Agency, as well as the duties of the Santa Cruz County Redevelopment Agency housing successor. The Santa Cruz County Redevelopment Successor Agency assumed all assets and liabilities of the Agency as of February 1, 2012. Per Assembly Bill X1 26, all housing assets, except cash balances, then transferred from the Successor Agency to the County of Santa Cruz as Contributions to other agencies in the amount of \$45,701,406 as of February 1, 2012. It is necessary to look at the Santa Cruz County Redevelopment Successor Agency Basic Financial Statements for the five months ended June 30, 2012, in conjunction with this report to have a full picture of the whole 2011-12 fiscal year. Management believes that the Successor Agency will have sufficient funds to pay its obligations as they become due during the remainder of the fiscal year ending June 30, 2012.

Assets and liabilities transferred from the Santa Cruz County Redevelopment Agency to the Santa Cruz County Redevelopment Successor Agency as of January 31, 2012 are presented in the table below. They result in an extraordinary loss in the amount of \$174,032,971 to the Santa Cruz County Redevelopment Successor Agency because of its assumption of the Santa Cruz County Redevelopment Agency's long term debt.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

14. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES,
Continued

	Governmental Activities
ASSETS	
Current Assets:	
Cash and investments	\$ 8,810,310
Restricted cash with fiscal agent	3,960,000
Total current assets	12,770,310
Noncurrent Assets:	
Restricted cash with fiscal agent	16,054,154
Loans receivable - housing	43,220,784
Land held for resale	235,029
Deferred bond issuance costs	3,913,330
Capital assets:	
Depreciable, net	16,309
Total capital assets	16,309
Total noncurrent assets	63,439,606
Total assets	76,209,916
LIABILITIES	
Current Liabilities:	
Accounts payable - claims	414,631
Interest payable	5,879,374
Total current liabilities	6,294,005
Long-Term Liabilities:	
Compensated absences - due in more than one year	51,223
Long-term debt - due in more than one year	243,897,659
Total long-term liabilities	243,948,882
Total liabilities	250,242,887
NET ASSETS	
Invested in capital assets, net of related debt	16,309
Restricted for:	
Capital projects	2,366,544
Low and moderate income housing projects	47,534,733
Debt service	20,014,154
Unrestricted	(243,964,711)
Total net assets (deficit)	\$ (174,032,971)



Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

14. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES,
Continued

The Santa Cruz County Redevelopment Agency, as a component unit of the Santa Cruz County, is a governmental fund and thus is presented with the modified accrual basis of accounting, which includes governmental fund financial statements. The Santa Cruz County Redevelopment Successor Agency, as a private purpose trust fund, is a fiduciary fund and thus is presented with the accrual basis of accounting, which does not include governmental fund financial statements.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

The Agency did transfer assets to the County of Santa Cruz after January 1, 2011, pursuant to various cooperation agreements with the County of Santa Cruz. In the event that the State Controller of the State of California orders any of the transferred assets returned to the Santa Cruz County Redevelopment Successor Agency, the County might be impacted.

Santa Cruz County Redevelopment Agency
Notes to Basic Financial Statements, Continued
For the 7 month period ended January 31, 2012

15. Supplemental Educational Revenue Augmentation Fund

On July 28, 2009, the State adopted AB 26 4x, which includes provisions that require the Agency to pay from the Tax Increment Revenue Fund to a Supplemental Educational Revenue Augmentation Fund \$2,245,594 in 2010/11. The California Redevelopment Association has taken legal action to challenge the provisions as unconstitutional. On May 4, 2010, Judge Lloyd G. Connelly denied the petitions of the California Redevelopment Association. The California Redevelopment Association has appealed. At the time of this writing, the outcome of the appeal is uncertain.

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REQUIRED SUPPLEMENTARY INFORMATION

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**Santa Cruz County Redevelopment Agency
Required Supplementary Information, Continued
For the 7 month period ended January 31, 2012**

1. BUDGETARY INFORMATION

In accordance with Section 33606 of the California Community Development Law, the Agency prepares and adopts a budget for each fiscal year.

The budget is a compilation of operating budgets from: individual functional units within the Tax Increment Revenue Fund, Administration Fund, Capital Project Fund, and Low and Moderate Income Housing Fund. Budgets are adopted for all funds except for Debt Service Funds.

The Agency follows the County's procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the County Administrative Officer submits to the Board of Supervisors a proposed program budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. In addition, the Auditor-Controller submits a proposed budget containing the line items of revenue and appropriations based upon the County Administrative Office budget proposal.
2. On or before August 20, public hearings are conducted to obtain public comments. Such hearings shall be concluded within 10 calendar days.
3. On or before October 2, the budget is legally enacted through passage of a resolution.
4. On or before November 1, the Auditor-Controller publishes a final budget as recommended by the County Administrative Officer and adopted by the Board of Supervisors.
5. Budget units are expenditure classifications which identify accounting or cost centers necessary or desirable for control of the County financial operation.
6. The Agency uses formal budgetary integration as a management control device during the year.
7. Budgets are adopted on a basis consistent with GAAP except for the following different classifications:
 - Interfund transfers are reported as revenues or expenditures for budgetary purposes, however, for GAAP purpose are reported as other financing sources.
 - Proceeds for the sale of assets and the issue of new debt are reported as revenues for budgetary purposes, however, for GAAP purpose are reported as other financing sources.
8. Budgetary control is maintained at the character level, except for capital assets and other charges which are controlled by line item. Character levels are appropriation totals for categories of expenditure. The Board of Supervisors approves all transfers of budgeted appropriation amounts between budget units within any fund or between expenditures outside of budgetary control limits.

**Santa Cruz County Redevelopment Agency
Required Supplementary Information, Continued
For the 7 month period ended January 31, 2012**

1. BUDGETARY INFORMATION, Continued

The Board of Directors of the Agency approves all transfers of budgeted appropriation amounts between budget units, expenditure objects and accounts within the capital asset object. The expenditure objects are salaries and employee benefits, services and supplies, intra-fund transfers or control accounts, redevelopment projects and programs, and capital assets.

All appropriations (except those required by law to be continuously appropriated from year to year) lapse at the end of the fiscal year, except for encumbered balances and project length budgets which are re-appropriated in the next year.



**Santa Cruz County Redevelopment Agency
 Required Supplementary Information, Continued
 For the 7 month period ended January 31, 2012**

The following is the budget comparison schedules for the major special revenue funds.

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tax Increment Special Revenue Fund

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
FUND BALANCE, BEGINNING	\$ 22,695,051	\$ 22,695,051	\$ 22,695,051	\$ -
RESOURCES (INFLOWS)				
Incremental property taxes	22,141,306	22,141,306	11,850,929	(10,290,377)
Penalties and interest on delinquent	-	-	31,998	31,998
Interest income - combined	161,250	161,250	32,242	(129,008)
Sale of fixed assets	-	-	9,599	9,599
Gain on land held for resale	-	-	-	-
Other revenue	4,800	4,800	(24,701)	(29,501)
Transfers in	229,887	1,887,667	1,887,669	2
Amount Available for Appropriation	22,537,243	24,195,023	13,787,736	(10,407,287)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Administrative costs	-	-	(1)	1
Real estate purchases	-	-	(2,953)	2,953
Rehabilitation costs and grants	-	3,989,435	-	3,989,435
Interest expense	10,219,685	10,219,685	-	10,219,685
Long term debt principal payments	3,118,631	3,118,631	-	3,118,631
Loss on sale of fixed assets	-	-	-	-
Transfers out	948,694	1,484,819	14,859,359	(13,374,540)
Total Charges to Appropriation	14,287,010	18,812,570	14,856,405	3,956,165
FUND BALANCE, ENDING	\$ 30,945,284	\$ 28,077,504	\$ 21,626,382	\$ (6,451,122)

Santa Cruz County Redevelopment Agency
Required Supplementary Information, Continued
For the 7 month period ended January 31, 2012

1. BUDGETARY INFORMATION, Continued

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Administration Special Revenue Fund

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
FUND BALANCE, BEGINNING	\$ 984	\$ 984	\$ 984	\$ -
RESOURCES (INFLOWS)				
Interest income - County pool	2	2	(838)	(840)
Other revenue	20	20	-	(20)
Transfers in	948,694	1,484,819	1,521,095	36,276
Amounts Available for Appropriation	948,716	1,484,841	1,520,257	35,416
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Administrative cost	466,836	466,836	358,496	108,340
Professional services	289,344	437,744	281,330	156,414
Accounting services	15,175	15,175	10,175	5,000
Legal services	70,000	70,000	32,834	37,166
Planning survey and design services	107,106	494,831	387,724	107,107
Operating transfers out	1,241	1,241	1,240	1
Total Charges to Appropriation	949,702	1,485,827	1,071,799	414,028
FUND BALANCE, ENDING	\$ (2)	\$ (2)	\$ 449,442	\$ 449,444

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Santa Cruz County Redevelopment Agency
Required Supplementary Information, Continued
For the 7 month period ended January 31, 2012

1. BUDGETARY INFORMATION, Continued

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Project Special Revenue Fund

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
FUND BALANCE, BEGINNING	\$ 3,716,759	\$ 3,716,759	\$ 3,716,759	\$ -
RESOURCES (INFLOWS)				
Interest income - County pool	9,497	9,497	10,387	890
Amounts Available for Appropriation	<u>9,497</u>	<u>9,497</u>	<u>10,387</u>	<u>890</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Professional services	-	-	44,607	(44,607)
Planning survey and design services	111,973	111,973	22,842	89,131
Project improvement costs	3,567,080	3,567,080	1,282,192	2,284,888
Operating transfers out	20,454	20,454	10,961	9,493
Total Charges to Appropriation	<u>3,699,507</u>	<u>3,699,507</u>	<u>1,360,602</u>	<u>2,338,905</u>
FUND BALANCE, ENDING	<u>\$ 26,749</u>	<u>\$ 26,749</u>	<u>\$ 2,366,544</u>	<u>\$ 2,339,795</u>

Santa Cruz County Redevelopment Agency
Required Supplementary Information, Continued
For the 7 month period ended January 31, 2012

1. BUDGETARY INFORMATION, Continued

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Low and Moderate Income Housing Special Revenue Fund

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
FUND BALANCE, BEGINNING	\$ 22,513,212	\$ 22,513,212	\$ 22,513,212	\$ -
RESOURCES (INFLOWS)				
Interest income - combined	17,231	17,231	13,290	(3,941)
Rents and concessions	14,534	14,534	2,805	(11,729)
Other revenue	6,611	6,611	5,302	(1,309)
Gain/(Loss) on conversion of debt	-	-	5,024,265	5,024,265
Transfers In	2,369,434	2,369,434	-	(2,369,434)
Amounts Availables for Appropriation	2,407,810	2,407,810	5,045,662	2,637,852
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Professional services	55,000	55,000	17,253	37,747
Project improvement costs	123,293	123,293	111,263	12,030
Operation of acquired property	1,109	1,109	21,234	(20,125)
Rehabilitation costs and grants	7,515,726	7,515,726	-	7,515,726
Total Charges to Appropriation	7,695,128	7,695,128	149,750	7,545,378
FUND BALANCE, ENDING	\$ 17,225,894	\$ 17,225,894	\$ 27,409,124	\$ 10,183,230





INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Board of Directors of the Santa Cruz County Redevelopment Agency Santa Cruz, California

We have audited the basic financial statements of the governmental activities, each major fund, and aggregated remaining fund information of the Santa Cruz County Redevelopment Agency (the "Agency"), a component unit of the County of Santa Cruz, California (the "County"), as of and for the seven months ended January 31, 2012, and have issued our report thereon dated December 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reports. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



To the Members of the Board of Directors
of the Santa Cruz County Redevelopment Agency
Santa Cruz, California
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the County's audit committee, the Board of Directors of the Agency, others within the Agency, and the California State Controller's Office, Division of Accounting and Reporting and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Marcum LLP
Certified Public Accountants
Irvine, California
December 21, 2012



Santa Cruz County Redevelopment Successor Agency

Santa Cruz, California

*Basic Financial Statements
and Independent Auditors' Reports*

*As of June 30, 2012 and for the five month period
February 1, 2012 through June 30, 2012*

Santa Cruz County Redevelopment Successor Agency
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As of June 30, 2012 and for the Period of February 1, 2012 through June 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Supervisors
of the Santa Cruz County Redevelopment Successor Agency
Santa Cruz, California

We have audited the accompanying financial statements of the activities of the Santa Cruz County Redevelopment Successor Agency (the "Successor Agency") as of and for the five months ended June 30, 2012, which comprise the Successor Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Successor Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Successor Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position the Successor Agency as of June 30, 2012, and the respective changes in financial position for the five months ended June 30, 2012 in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2012, on our consideration of the Successor Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.



To the Members of the Board of Supervisors
of the Santa Cruz County Successor Agency
Santa Cruz, California
Page 2

As explained further in Note 13 to the basic financial statements, the California State Legislature enacted Assembly Bill X1 26 (the "Bill") dissolving the County's redevelopment agency as of January 31, 2012. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund). The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) to the Santa Cruz County Redevelopment Successor Agency is reported in the private-purpose trust fund as an extraordinary loss in the amount of \$174,032,971.

Also as explained further in Note 13, due to the dissolution of the redevelopment agencies, it is necessary to read this report in conjunction with that of the Santa Cruz County Redevelopment Agency basic financial statements for the seven months ended January 31, 2012, in order to gain a full understanding of the fiscal year (twelve month period ended June 30, 2012).

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omission.

Marcum LLP

Marcum LLP
Certified Public Accountants
Irvine, California
December 21, 2012



BASIC FINANCIAL STATEMENTS

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Santa Cruz County Redevelopment Successor Agency
Statement of Fiduciary Net Assets
June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 15,168,191
Restricted cash with fiscal agent	47,570
Total current assets	<u>15,215,761</u>
Noncurrent Assets:	
Restricted cash with fiscal agent	12,908,697
Deferred bond issuance costs	3,824,455
Depreciable, net	15,087
Total capital assets	<u>15,087</u>
Total noncurrent assets	<u>16,748,239</u>
Total assets	<u>31,964,000</u>
LIABILITIES	
Current Liabilities:	
Accounts payable - claims	190,263
Accounts payable - payroll	2,655
Interest payable	4,703,499
Compensated absences - due within one year	43,665
Long-term debt - due within one year	4,925,519
Net assets - beginning	
Total current liabilities	<u>9,865,601</u>
Net assets - ending	
Long-Term Liabilities:	
Compensated absences - due in more than one year	8,631
Long-term debt - due in more than one year	238,984,424
Total long-term liabilities	<u>238,993,055</u>
Total liabilities	<u>248,858,656</u>
NET ASSETS	
Invested in capital assets, net of related debt	15,087
Restricted for:	
Capital projects	2,159,105
Low and moderate income housing projects	810,217
Debt service	20,608,629
Unrestricted	(240,487,694)
Total net assets (deficit)	<u>\$ (216,894,656)</u>

See accompanying Notes to Basic Financial Statements.



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Santa Cruz County Redevelopment Successor Agency
Statement of Activities and Changes in Fiduciary Net Assets
For the five months ended June 30, 2012

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Primary government:			
Public ways and facilities	\$ 1,831,853	\$ -	\$ (1,831,853)
Interest and fiscal charges on long-term debt (unallocated)	5,980,534	-	(5,980,534)
Total governmental activities	\$ 7,812,387	\$ -	(7,812,387)
General Revenues:			
Incremental property taxes			8,317,878
Interest Earnings:			
Unrestricted			17,354
Restricted			612
Other Revenue:			
Miscellaneous			2,262,264
Total general revenues			10,598,108
Contributions to other agencies			(45,701,406)
Extraordinary Loss on Dissolution of Redevelopment Agency			(174,032,971)
Change in net assets			(216,894,656)
Net assets - beginning			-
Net assets - ending			\$ (216,894,656)

See accompanying Notes to Basic Financial Statements.



NOTES TO BASIC FINANCIAL STATEMENTS

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements
For the Five Month Period Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County of Santa Cruz Redevelopment Successor Agency (Successor Agency), a fiduciary fund, have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applies to private purpose trust funds. Private purpose trust funds report resources of other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Private purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. This fund is used to report the assets, liabilities, and activities of the Santa Cruz County Redevelopment Successor Agency. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Successor Agency's accounting policies are described below.

A. Reporting Entity

The County was incorporated in 1850 under the provisions of Article II, Section 3 of the California State Constitution and is a general law county. The Redevelopment Agency was activated by the Board of Supervisors with the adoption of Ordinance No. 3736 on April 1, 1986. The Board of Supervisors established the Live Oak/Soquel Community Improvement Project on May 12, 1987, by Ordinance No. 3836, pursuant to the California Community Redevelopment Law. The Redevelopment Agency was dissolved per Assembly Bill X1 26 on January 31, 2012. On January 10, 2012, per Resolution No. 5-012, the County of Santa Cruz elected to assume the duties of the Santa Cruz County Redevelopment Successor Agency.

The Successor Agency is governed by the County Board of Supervisors serving in a separate capacity as the governing board of the Successor Agency. The Successor Agency is tasked with winding down the activities of the former redevelopment agency, including paying off debt and disposing of property of the former redevelopment agency.

Per the document, Accounting and Financial Reporting for Dissolution of California Redevelopment Agencies, issued May 2012 by the California Committee on Municipal Accounting (a joint committee comprised of representatives of the League of California Cities and the California Society of Certified Public Accountants), redevelopment successor agencies should be reported as a fiduciary fund (private-purpose trust fund) of the host city or county.

B. Basis of Accounting and Measurement Focus

The basic financial statements include the Statement of Fiduciary Net Assets and the Statement of Activities and Changes in Fiduciary Net Assets.

The basic financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Fiduciary Net Assets. The Statement of Activities and Changes in Fiduciary Net Assets presents increases (revenues) and (decreases) in total Fiduciary net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.



Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

All eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Fiduciary Net Assets have been eliminated. The following interfund activities have been eliminated:

- Due to and from other funds
- Transfers in and out

C. Cash, Cash Equivalents and Investments

The Successor Agency maintains a cash balance in the County investment pool to meet current operating requirements. Cash in excess of current requirements is invested by the Successor Agency in various interest-bearing securities and disclosed as part of the Successor Agency's investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

D. Restricted Cash and Investments for Debt Service Fund

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt.

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursed fund. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as transfers.

F. Capital Assets

Government-Wide Financial Statements

The Successor Agency's assets are capitalized at historical cost or estimated historical cost. The Successor Agency's policy has set the capitalization threshold for reporting capital assets at \$5,000 (for equipment and vehicles) and \$25,000 (for buildings and structures). Gifts or contributions of capital assets are recorded at fair market value when received.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and structures	10-50 years
Equipment and vehicles	3-15 years

The Successor Agency had no infrastructure assets at June 30, 2012.

G. Long-Term Liabilities

Government-Wide Financial Statements

Long-term debt and other financed obligations are reported as liabilities in the Government-Wide Financial Statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.



Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Fiduciary Net Assets and Fund Balances

In the Government-Wide Financial Statements, fiduciary net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Successor Agency's policy is to apply restricted net assets first. The Successor Agency considers restricted fund balances to be spent first when both restricted and unrestricted resources are available for use.

I. Property Taxes

All property taxes are levied, collected, and allocated by the County to the various taxing entities including the Successor Agency. All property taxes are determined annually on July 1 and attached as an enforceable lien on January 1. Secured property taxes are due in two installments on November 1 and February 1 and become delinquent, if unpaid, on December 10 and April 10, respectively. Property tax revenues include only property taxes resulting from increased assessed values within the boundaries of the Successor Agency and are recognized in the fiscal year for which the taxes have been levied and apportioned to the Successor Agency's accounts by the County. The County bills and collects property taxes and remits them to the Successor Agency.

Incremental property tax revenues represent excess taxes levied in the former redevelopment project area over that amount levied in the base year (the inception year of the former redevelopment project area). Starting January 2012, pursuant to Assembly Bill X1 26 and Assembly Bill 1484, the Successor Agency must prepare Recognized Obligation Payment Schedules (ROPS), listing enforceable obligations of the Successor Agency, for each six month period. The County allocates to the Successor Agency only the portion of incremental property tax revenues the Successor Agency claims as necessary to pay the estimated installment payments on enforceable obligations on the ROPS for each six month period. For the five month period ended June 30, 2012, the amount of property taxes received was \$8,371,878.

The Successor Agency participates in the County "Teeter Plan" method of property tax distribution. Under the Teeter Plan, the County remits property taxes to the Successor Agency based upon assessments, not collections. Property tax revenue is recognized when it is available and measurable.

J. Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

2. CASH AND INVESTMENTS

A. Summary of Deposit and Investment Balances

Cash and investments consisted of the following at June 30, 2012:

	Restricted	Unrestricted	Total
Pooled cash and investments held by the County of Santa Cruz	\$ -	\$ 15,168,191	\$ 15,168,191
Cash with fiscal agent	12,956,267	-	12,956,267
Total	<u>\$ 12,956,267</u>	<u>\$ 15,168,191</u>	<u>\$ 28,124,458</u>

B. Cash Held with the Santa Cruz County Treasury

The Successor Agency pools cash from all sources and all funds except cash and investments with fiscal agents with the County Treasurer so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. The Santa Cruz County Treasury Oversight Committee oversees the Treasurer’s investments and policies.

The California Government Code requires California banks and savings and loan associations to secure the County’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County’s name.

The market value of pledged securities must equal at least 110% of the County’s cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County’s total cash deposits. The County may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.



Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

2. CASH AND INVESTMENTS, Continued

C. Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	100%	None
U.S. Treasury obligations	5 years	100%	None
U.S. Government Agency obligations	None	25%	None
State of California obligations	5 years	100%	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	40%	10%
Negotiable certificates of deposit	5 years	30%	None
Non-negotiable certificates of deposit	180 days	10%	10%
Repurchase agreements	1 year	100%	None
Medium-term notes	5 years	30%	None
Mutual funds/money market mutual fund	N/A	10%	10%
Local Agency Investment Fund (LAIF)	N/A	\$50 million	None
Joint Powers Authority investment funds	None	25%	None

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at cost, as the fair market value adjustment at the year end was immaterial.

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the County's investment policy.

D. Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.



Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

2. CASH AND INVESTMENTS, Continued

E. Concentration of Credit Risk

At June 30, 2012, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds or medium term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

F. Custodial Credit Risk

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

G. Local Agency Investment Fund

The County is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The County's investments with LAIF at June 30, 2012, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2012, the County invested in LAIF, which had invested 0.51% of the pool investment funds in Structured Notes and Asset-Backed Securities. As of June 30, 2012, the LAIF fair value factor of 1.001219643 was used to calculate the fair values of the investments in LAIF.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

H. Cash Held with Fiscal Agent

Cash and investments with fiscal agents in the amount of \$12,908,697 included certain amounts which are held by fiscal agents to be used for payment of long term debt. These funds have been invested as permitted by applicable County ordinance and resolutions.



Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

3. LAND HELD FOR RESALE

At January 31, 2012, the Santa Cruz County Redevelopment Agency had assets of \$235,029 in Land Held for Resale. That asset was acquired with Low and Moderate Income Housing Funds. On February 1, 2012, all assets of the former Redevelopment Agency, including housing assets, transferred to the Successor Agency. Housing assets, excluding cash balances, were further transferred from the Successor Agency to the County of Santa Cruz, as the housing successor entity, as of February 1, 2012.

At June 30, 2012, the Successor Agency had no Land Held for Resale.

4. LOANS RECEIVABLE

At January 31, 2012, the Santa Cruz County Redevelopment Agency had assets of \$43,220,784 in Loans Receivable for Low and Moderate Income Housing. On February 1, 2012, all assets of the former Redevelopment Agency, including housing assets, transferred to the Agency. Housing assets, excluding cash balances, were further transferred from the Agency to the County of Santa Cruz, as the housing successor entity, as of February 1, 2012.

At June 30, 2012, the Successor Agency had no Loans Receivable.

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

5. CAPITAL ASSETS

Capital assets of the Successor Agency at June 30, 2012 are presented in the table below.

	Balance June 30, 2011	Transfers In	Deletions	Balance June 30, 2012
Depreciable assets:				
Buildings and improvement	-	35,204	-	35,204
Machinery and equipment	-	76,941	-	76,941
Total depreciable assets:	-	112,145	-	112,145
Less accumulated depreciation for:				
Buildings and improvement	-	(25,325)	(489)	(25,814)
Machinery and equipment	-	(70,511)	(733)	(71,244)
Total accumulated depreciation:	-	(95,836)	(1,222)	(97,058)
Total depreciable assets, net:	-	16,309	(1,222)	15,087
Total Capital Assets	\$ -	\$ 16,309	\$ (1,222)	\$ 15,087

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental activities:	
Public ways and facilities	
Total depreciation expense - governmental activities	<u>\$ 1,222</u>

6. RELATED PARTY TRANSACTIONS

County personnel provide management, accounting, and legal services to the Successor Agency. Total charges for such services in the 5 month period ended June 30, 2012 were approximately \$14,858, and are included in total expenses.

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

7. LONG-TERM DEBT

Activity in long-term debt at June 30, 2012, was as follows:

Description	Original Issue Amount	Beginning Balance June 30, 2011	Transfers In	Retirements	Ending Balance June 30, 2012	Amounts Due Within One Year	Amounts Due In More Than One Year
Tax Allocation Bonds							
2000 Subordinate	17,855,000	-	11,120,000	-	11,120,000	785,000	10,335,000
Subordinate 2000 Series A	27,415,000	-	25,685,000	-	25,685,000	220,000	25,465,000
2003 Refunding	48,435,000	-	33,780,000	-	33,780,000	2,095,000	31,685,000
Unamortized bond discount	(194,382)	-	(117,438)	4,050	(113,388)	(9,719)	(103,669)
2005 Series A	47,860,000	-	47,860,000	-	47,860,000	-	47,860,000
Unamortized bond premium	468,371	-	381,202	(6,505)	374,697	15,612	359,085
2005 Taxable Series B	21,000,000	-	19,440,000	-	19,440,000	265,000	19,175,000
Unamortized bond discount	(45,159)	-	(36,755)	627	(36,128)	(1,505)	(34,623)
2007 Refunding	10,755,000	-	10,280,000	-	10,280,000	90,000	10,190,000
2007 Refunding Series A	7,370,000	-	5,785,000	-	5,785,000	425,000	5,360,000
Unamortized bond premium	224,669	-	161,314	(6,241)	155,073	14,978	140,095
2009 Series A	55,970,000	-	55,200,000	-	55,200,000	410,000	54,790,000
Unamortized bond discount	(180,815)	-	(160,982)	2,790	(158,192)	(6,697)	(151,495)
2010 Taxable Series	18,500,000	-	18,500,000	-	18,500,000	150,000	18,350,000
Unamortized bond discount	(462,750)	-	(451,953)	7,713	(444,240)	(18,510)	(425,730)
2011 Series A	11,315,000	-	11,315,000	-	11,315,000	430,000	10,885,000
Unamortized bond discount	(247,945)	-	(238,905)	6,457	(232,448)	(15,497)	(216,951)
2011 Series B	5,595,000	-	5,595,000	-	5,595,000	85,000	5,510,000
Unamortized bond discount	(203,574)	-	(198,824)	3,393	(195,431)	(8,143)	(187,288)
Total Tax Allocation Bonds		-	243,897,659	12,284	243,909,943	4,925,519	238,984,424
Compensated absences		-	51,223	1,073	52,296	43,665	8,631
Total Governmental Activities		\$ -	\$ 243,948,882	\$ 13,357	\$ 243,962,239	\$ 4,969,184	\$ 238,993,055

2000 Subordinate Tax Allocation Refunding Bonds

In August, 2000, the former Redevelopment Agency issued the 2000 Subordinate Tax Allocation Refunding Bonds (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$17,855,000. Interest from 4.25% to 5.25% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$11,120,000. Principal and interest paid for the current period were \$280,733.

2000 Series A Subordinate Tax Allocation Bonds

In December, 2000, the former Redevelopment Agency issued Subordinate Tax Allocation Bonds, 2000 Series A (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$27,415,000. Interest from 5.0% to 5.375% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$25,685,000. Principal and interest paid for the current period were \$679,794.



Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

7. LONG-TERM DEBT, Continued

2003 Tax Allocation Refunding Bonds

On August 28, 2003, the former Redevelopment Agency issued 2003 Tax Allocation Refunding Bonds (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$48,435,000. Interest from 2.00% to 5.00% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$33,780,000 and the unamortized bond discount was \$113,388. Principal and interest paid for the current period were \$765,906.

2005 Series A Subordinate Tax Allocation Bonds

On November 17, 2005, the former Redevelopment Agency issued Subordinate Tax Allocation Bonds, 2005 Series A (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$47,860,000. Interest from 4.5% to 5.0% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$47,860,000 and the unamortized bond premium was \$374,697. Principal and interest paid for the current period were \$1,173,328.

2005 Series B Subordinate Tax Allocation Bonds

On November 17, 2005, the former Redevelopment Agency issued Subordinate Tax Allocation Bonds, 2005 Taxable Series B (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$21,000,000. Interest from 5.0% to 5.650% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$19,440,000 and the unamortized bond discount was \$36,128. Principal and interest paid for the current period were \$543,673.

2007 Taxable Subordinate Tax Allocation Refunding Bonds

On May 8, 2007, the former Redevelopment Agency issued Subordinate Tax Allocation Refunding Bonds, 2007 Taxable (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$10,755,000. Interest from 5.208% to 5.495% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$10,280,000. Principal and interest paid for the current period were \$281,577.

2007 Series A Tax Allocation Refunding Bonds

On November 7, 2007, the former Redevelopment Agency issued Tax Allocation Refunding Bonds, 2007 Series A (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$7,370,000. Interest from 4.00% to 5.25% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$5,785,000 and the unamortized bond premium was \$155,073. Principal and interest paid for the current period were \$122,044.

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

7. LONG-TERM DEBT, Continued

2009 Series A Tax Allocation Bonds

On February 12, 2009, the former Redevelopment Agency issued Tax Allocation Bonds, 2009 Series A (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$55,970,000. Interest from 3.25% to 7.00% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$55,200,000 and the unamortized bond discount was \$158,192. Principal and interest paid for the current period were \$1,868,204.

2010 Taxable Housing Tax Allocation Bonds

On July 22, 2010, the former Redevelopment Agency issued Tax Allocation Bonds, 2010 Taxable Housing Tax Allocation Bonds (Live Oak/Soquel Community Improvement Project Area) in the original amount of \$18,500,000. Interest from 2.95% to 7.40% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$18,500,000 and the unamortized bond discount was \$444,240. Principal and interest paid for the current period were \$659,203.

2011 Series A Taxable Tax Allocation Bonds

On March 9, 2011, the former Redevelopment Agency issued Tax Allocation Bonds, 2011 Series A Taxable Tax Allocation Bonds in the original amount of \$11,315,000. Interest from 3.10% to 9.00% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$11,315,000 and the unamortized bond discount was \$232,448. Principal and interest paid for the current period were \$439,909.

2011 Series B Taxable Housing Tax Allocation Bonds

On March 9, 2011, the former Redevelopment Agency issued Tax Allocation Bonds, 2011 Series B Taxable Housing Tax Allocation Bonds in the original amount of \$5,595,000. Interest from 3.10% to 9.25% is paid semi-annually and principal payments are made at September 1st. Payments are secured by the pledge of tax revenues. As of June 30, 2012, the total principal balance was \$5,595,000 and the unamortized bond discount was \$195,431. Principal and interest paid for the current period were \$240,881.

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

7. LONG-TERM DEBT, Continued

The debt service requirement to maturity for all debts combined, including interest, is as follows:

Year Ending June 30,	Principal	Interest	Total
2013	4,955,000	14,009,805	18,964,805
2014	5,150,000	13,799,365	18,949,365
2015	5,365,000	13,569,386	18,934,386
2016	5,610,000	13,318,170	18,928,170
2017	5,870,000	13,043,046	18,913,046
2018-2022	34,125,000	60,275,947	94,400,947
2023-2027	44,110,000	49,469,756	93,579,756
2028-2032	60,805,000	34,180,656	94,985,656
2033-2037	78,570,000	12,810,298	91,380,298
Total	<u>244,560,000</u>	<u>\$ 224,476,429</u>	<u>\$ 469,036,429</u>
Unamortized Premiums	529,772		
Unamortized Discounts	<u>(1,179,829)</u>		
Total	<u>\$ 243,909,943</u>		

Pledges of future revenues

The Successor Agency has pledged to the repayment of the 2000 Subordinate Refunding Bonds, the 2000 Series A Subordinate Bonds, the 2003 Refunding Bonds, the 2005 Series A Bonds, the 2005 Series B Subordinate Bonds, the 2007 Taxable Subordinate Refunding Bonds, the 2007 Series A Refunding Bonds, the 2009 Series A Bonds, the 2010 Taxable Housing Bonds, the 2011 Series A Taxable Bonds, and the 2011 Series B Taxable Housing Bonds (the "Bonds") Tax Revenues of the Successor Agency's Live Oak/Soquel Community Improvement Project Area pursuant to the various applicable Indentures of Trust, through the final maturity of the Bonds on March 1, 2037, or early retirement of the Bonds, whichever occurs first. Tax Revenues consist of tax increment revenues allocated to the Successor Agency with respect to the Live Oak/Soquel Community Improvement Project Area pursuant to Section 34183 of the California Health & Safety Code. Annual principal and interest payments on the bonds are expected to require 93 percent of tax revenues. The total principal and interest remaining to be paid on the Bonds is \$469,036,429.

At June 30, 2012, the total tax revenues for the current period were \$8,388,548, and the total debt service payment was \$7,055,250. During the 5 month period ended June 30, 2012, bond debt service payments required 84.27% of the total tax increment revenues. The ratio of tax revenues to the bonds debt service payments due during the 5 month period ended June 30, 2012 was 1.19 (119%).

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

7. LONG-TERM DEBT, Continued

Compensated Absences

Compensated absences are not accrued in governmental funds. At June 30, 2012, Successor Agency liabilities included approximately \$30,990 vacation pay, \$8,723 sick pay and \$8,866 in other employee leave, for a total of \$48,579. These amounts do not exceed normal year's accumulation. The compensated absences total has been increased by 7.65% for an adjusted total of \$52,296. Adequate amounts are appropriated annually to pay these obligations out of available financial resources.

GASB Statement No. 16, which became effective for the 1993-94 fiscal year, requires the Successor Agency to accrue the current portion of the liability. The Successor Agency's current portion of the liability is \$43,665.

8. RISK MANAGEMENT

The Successor Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; medical malpractice; unemployment coverage and dental benefits to employees. The Successor Agency is covered under the County's insurance policies. The County is self-insured for its general and auto liability, workers' compensation, medical malpractice, and employees' dental coverage. The County has chosen to establish risk-financing internal service funds where funds are set aside for claim settlements associated with the above risk of loss up to certain limits. Excess coverage is provided by the California State Association of Counties (CSAC) Excess Insurance Authority (Insurance Authority), a joint powers authority whose purpose is to develop and fund programs of excess insurance for its member counties. The Insurance Authority is governed by a Board of Directors consisting of representatives of the member counties. Self-insurance limits per occurrence and Insurance Authority limits per year are presented in the County's financial statement. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years for the Successor Agency.

County-wide information concerning risks, insurance policy limits, deductible and designation for the year ended June 30, 2012, may be found in the notes of the County's basic financial statements.

9. ARBITRAGE REBATE PAYABLE

Section 148 of the Internal Revenue Code requires issuers of most types of tax-exempt bonds to rebate investment earnings in excess of bond yield to the United States Internal Revenue Service in installment payments made at least once every five years, with the final installment made when the last bond in the issue is redeemed.

The 2000 Subordinate Tax Allocation Refunding Bonds are subject to this requirement. The most recent Interim Arbitrage Rebate Analysis was completed September 20, 2010. There was no rebate due to the government.

The 2000 Series A Subordinate Tax Allocation Bonds are subject to this requirement. The most recent Interim Arbitrage Rebate Analysis was completed September 27, 2010. There was no rebate due to the government.



Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

9. ARBITRAGE REBATE PAYABLE, Continued

The 2005 Series A Subordinate Tax Allocation Bonds are subject to this requirement. The most recent Interim Arbitrage Rebate Analysis was completed November 27, 2010. There was no rebate due to the government.

Future computations of the rebate requirement for the tax allocation bonds and new bond issues will be calculated by a consulting firm as the Successor Agency management considers appropriate. Successor Agency management, as of June 30, 2012, believes there are no arbitrage rebate liabilities.

10. COMMITMENTS AND CONTINGENCIES

A. Lawsuits

The Successor Agency is presently involved in certain matters of litigation that have arisen in the normal course of conducting Successor Agency business. Successor Agency management believes, based upon consultation with the Successor Agency Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the Successor Agency. Additionally, Successor Agency management believes that the Successor Agency's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

B. Commitments

The following is a list of commitments at June 30, 2012:

LION Program	\$ 26,277
The Farm Park	17,144
East Cliff Beach Improvements	606,548
Twin Lakes Beach Improvements	10,104
East Cliff Stabilization Project	44,229
Live Oak Resource Center	13,271
St. Stephens Affordable Housing	331,284
Total	<u>\$ 1,048,857</u>

As of June 30, 2012, in the opinion of Successor Agency management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the Successor Agency.

11. RESTRICTED NET ASSETS

Restricted net assets are net assets whose use is subject to constraints that are either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. At June 30, 2012, the Successor Agency had \$810,217 restricted for low income housing, and \$2,159,105 restricted for capital projects, either restricted by bond covenants or restricted by enabling legislation for the Recognized Obligation Payment Schedule.

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. The Bill provides that upon dissolution of a redevelopment agency, the county that created it can agree to serve as the successor agency to hold the assets until they are distributed to other taxing entities. On January 10, 2012, per Resolution No. 5-2012, the County of Santa Cruz elected to assume the duties of the Santa Cruz County Redevelopment Successor Agency.

After enactment of the Bill, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

On June 29, 2011, the Governor of the State of California signed Assembly Bill X1 26 as part of the State's budget package. The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bill X1 26 on the grounds that it violates the California Constitution. On August 11, 2011, the California Supreme Court issued a stay of most of Assembly Bill X1 26. On December 29, 2011, the California Supreme Court issued a ruling upholding Assembly Bill X1 26, with provision to delay certain implementation dates in Assembly Bill X1 26 by four months. Assembly Bill X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency.

Per Assembly Bill X1 26, the Agency dissolved as of January 31, 2012. On January 10, 2012, per Resolution No. 5-2012, the County of Santa Cruz elected to assume the duties of the Santa Cruz County Redevelopment Successor Agency, as well as the duties of the Santa Cruz County Redevelopment Agency housing successor. The Santa Cruz County Redevelopment Successor Agency assumed all assets and liabilities of the Agency as of February 1, 2012. Per Assembly Bill X1 26, all housing assets, except cash balances, then transferred from the Successor Agency to the County of Santa Cruz as Contributions to other agencies in the amount of \$45,701,406 as of February 1, 2012. It is necessary to look at the Santa Cruz County Redevelopment Successor Agency Basic Financial Statements for the five months ended June 30, 2012, in conjunction with this report to have a full picture of the whole 2011-12 fiscal year. Management believes that the Successor Agency will have sufficient funds to pay its obligations as they become due during the remainder of the fiscal year ending June 30, 2012.

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY,
Continued

Assets and liabilities transferred from the Santa Cruz County Redevelopment Agency to the Santa Cruz County Redevelopment Successor Agency as of January 31, 2012 are presented in the table below. They result in an extraordinary loss in the amount of \$174,032,971 to the Santa Cruz County Redevelopment Successor Agency because of its assumption of the Santa Cruz County Redevelopment Agency's long term debt.

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 8,810,310
Restricted cash with fiscal agent	3,960,000
Total current assets	<u>12,770,310</u>
Noncurrent Assets:	
Restricted cash with fiscal agent	16,054,154
Loans receivable - housing	43,220,784
Land held for resale	235,029
Deferred bond issuance costs	3,913,330
Capital assets:	
Depreciable, net	16,309
Total capital assets	<u>16,309</u>
Total noncurrent assets	<u>63,439,606</u>
Total assets	<u>76,209,916</u>
LIABILITIES	
Current Liabilities:	
Accounts payable - claims	414,631
Interest payable	5,879,374
Total current liabilities	<u>6,294,005</u>
Long-Term Liabilities:	
Compensated absences - due in more than one year	51,223
Long-term debt - due in more than one year	243,897,659
Total long-term liabilities	<u>243,948,882</u>
Total liabilities	<u>250,242,887</u>
NET ASSETS	
Invested in capital assets, net of related debt	16,309
Restricted for:	
Capital projects	2,366,544
Low and moderate income housing projects	47,534,733
Debt service	20,014,154
Unrestricted	(243,964,711)
Total net assets (deficit)	<u>\$ (174,032,971)</u>

Santa Cruz County Redevelopment Successor Agency
Notes to Basic Financial Statements, Continued
For the Five Month Period Ended June 30, 2012

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY,
Continued

The Santa Cruz County Redevelopment Agency, as a component unit of the Santa Cruz County, is a governmental fund and thus is presented with the modified accrual basis of accounting, which includes governmental fund financial statements. The Santa Cruz County Redevelopment Successor Agency, as a private purpose trust fund, is a fiduciary fund and thus is presented with the accrual basis of accounting, which does not include governmental fund financial statements.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

The Agency did transfer assets to the County of Santa Cruz after January 1, 2011, pursuant to various cooperation agreements with the County of Santa Cruz. In the event that the State Controller of the State of California orders any of the transferred assets returned to the Santa Cruz County Redevelopment Successor Agency, the County might be impacted.

13. Supplemental Educational Revenue Augmentation Fund

On July 28, 2009, the State adopted AB 26 4x, which includes provisions that required the Redevelopment Agency to pay from the Tax Increment Revenue Fund to a Supplemental Educational Revenue Augmentation Fund \$2,245,594 in 2010/11. The California Redevelopment Association has taken legal action to challenge the provisions as unconstitutional. On May 4, 2010, Judge Lloyd G. Connelly denied the petitions of the California Redevelopment Association, The California Redevelopment Association has appealed. At the time of this writing, the outcome of the appeal is uncertain.



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Board of Supervisors
of the Santa Cruz County Redevelopment Successor Agency
Santa Cruz, California

We have audited the basic financial statements of the Santa Cruz County Redevelopment Successor Agency (the "Successor Agency") as of and for the five months ended June 30, 2012, and have issued our report thereon dated December 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Successor Agency is responsible for establishing and maintaining effective internal control over financial reports. In planning and performing our audit, we considered the Successor Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Successor Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



To the Members of the Board of Supervisors
of the Santa Cruz County Redevelopment Successor Agency
Santa Cruz, California
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Successor Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the County's audit committee, the Board of Supervisors of the Successor Agency, others within the Successor Agency, and the California State Controller's Office, Division of Accounting and Reporting and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Marcum LLP
Certified Public Accountants
Irvine, California
December 21, 2012