

SAN RAMON REDEVELOPMENT AGENCY

COMPONENT UNIT FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012



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SAN RAMON REDEVELOPMENT AGENCY
BASIC COMPONENT UNIT FINANCIAL STATEMENTS
For the Period July 1, 2011 through January 31, 2012

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INDEPENDENT AUDITORS' REPORT

Agency Board Members of the San Ramon Redevelopment Agency
San Ramon, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the San Ramon Redevelopment Agency (the Agency), a component unit of the City of San Ramon, California (the City), as of January 31, 2012 and for the period July 1, 2011 through 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 management of the Agency. Our responsibility is to express opinions 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. 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the San Ramon Redevelopment Agency as of January 31, 2012, and the respective changes in financial position for the period July 1, 2011 through January 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the basic financial statements, the California State Legislature enacted legislation that dissolved redevelopment agencies in the State of California as of February 1, 2012. On February 1, 2012, the City, as the Successor Agency to the San Ramon Redevelopment Agency, became responsible for overseeing the dissolution process and the wind down of redevelopment activity.

Management has omitted the *management's 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 opinions on the basic financial statements are not affected by this missing information. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Accounting principles generally accepted in the United States of America require that the *required supplementary information*, as identified in the accompanying 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 operation, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. It is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Burr Pilger Mayer, Inc.

San Jose, California
March 13, 2013

SAN RAMON REDEVELOPMENT AGENCY

STATEMENT OF NET ASSETS

January 31, 2012

	ASSETS	Governmental Activities
Cash and investments		\$ 5,677,639
Restricted cash and investments		9,981,320
Receivables:		
Accounts		2,404
Notes		5,839,244
Deferred charges		1,283,960
Land held for resale		3,092,668
Capital assets:		
Not being depreciated		5,860,365
Total assets		<u>31,737,600</u>
	LIABILITIES	
Accounts payable		198,443
Interest payable		1,416,601
Noncurrent liabilities:		
Due within one year		2,220,000
Due in more than one year		78,212,306
Total liabilities		<u>82,047,350</u>
	NET ASSETS (DEFICIT)	
Invested in capital assets		5,860,365
Restricted for:		
Land held for resale		3,092,668
Unrestricted		<u>(59,262,783)</u>
Total net assets (deficit)		<u>\$ (50,309,750)</u>

The accompanying notes are an integral part of these financial statements.



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SAN RAMON REDEVELOPMENT AGENCY

STATEMENT OF ACTIVITIES

For the Period July 1, 2011 through January 31, 2012

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net Expenses and Changes in Net Assets</u>
		<u>Operating Grants and Contributions</u>	
Governmental activities:			
Community development	\$ 770	\$ -	\$ (770)
Redevelopment activities	3,721,194	-	(3,721,194)
Debt service:			
Interest	1,715,242	-	(1,715,242)
Total governmental activities	<u>\$ 5,437,206</u>	<u>\$ -</u>	<u>(5,437,206)</u>
General revenues:			
Property tax, redevelopment agency tax increment			4,701,714
Intergovernmental			800
Investment income			31,396
Other			<u>10,933</u>
Total general revenues			<u>4,744,843</u>
Change in net assets			(692,363)
Net assets (deficit), beginning of year, as restated			<u>(49,617,387)</u>
Net assets (deficit), end of year			<u>\$ (50,309,750)</u>

The accompanying notes are an integral part of these financial statements.

SAN RAMON REDEVELOPMENT AGENCY

BALANCE SHEET

January 31, 2012

		Special Revenue Funds	
		Low/Mod Income Housing	
		Set-Aside	Redevelopment
ASSETS			
Assets:			
Cash and investments		\$ -	\$ -
Restricted cash and investments		2,557,693	-
Receivables:			
Accounts		1,795	609
Notes		5,819,244	20,000
Advances to other funds		3,483,624	-
Land held for resale		3,092,668	-
Total assets		\$ 14,955,024	\$ 20,609
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable		\$ -	\$ -
Advances from other funds		-	3,483,624
Deferred revenue		5,819,244	20,000
Total liabilities		5,819,244	3,503,624
Fund balances:			
Reserved for:			
Nonspendable		3,483,624	-
Restricted		5,652,156	-
Unassigned		-	(3,483,015)
Total fund balances		9,135,780	(3,483,015)
Total liabilities and fund balances		\$ 14,955,024	\$ 20,609

The accompanying notes are an integral part of these financial statements.

Capital Project Fund	Debt Service Funds			Totals
	Redevelopment Tax Allocation 1998/2004	Redevelopment Tax Allocation 2006	Non-major ERAF Tax Bonds	
Redevelopment				
\$ 3,204,885	\$ 1,714,258	\$ 687,210	\$ 71,286	\$ 5,677,639
-	5,050,216	2,373,411	-	9,981,320
-	-	-	-	2,404
-	-	-	-	5,839,244
-	-	-	-	3,483,624
-	-	-	-	3,092,668
<u>\$ 3,204,885</u>	<u>\$ 6,764,474</u>	<u>\$ 3,060,621</u>	<u>\$ 71,286</u>	<u>\$ 28,076,899</u>
\$ 198,443	\$ -	\$ -	\$ -	\$ 198,443
-	-	-	-	3,483,624
-	-	-	-	5,839,244
<u>198,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,521,311</u>
-	-	-	-	3,483,624
3,006,442	6,764,474	3,060,621	71,286	18,554,979
-	-	-	-	(3,483,015)
<u>3,006,442</u>	<u>6,764,474</u>	<u>3,060,621</u>	<u>71,286</u>	<u>18,555,588</u>
<u>\$ 3,204,885</u>	<u>\$ 6,764,474</u>	<u>\$ 3,060,621</u>	<u>\$ 71,286</u>	<u>\$ 28,076,899</u>

The accompanying notes are an integral part of these financial statements.



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SAN RAMON REDEVELOPMENT AGENCY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

January 31, 2012

Fund balances of governmental funds	\$	18,555,588
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
Capital assets, net of depreciation, of governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		5,860,365
Long-term notes receivables are not current financial resources and, therefore, they are deferred in the governmental funds.		5,839,244
Interest expenditures are recognized when due and, therefore, interest payable is not recorded in the governmental funds.		(1,416,601)
Bond issuance costs are expenditures in the governmental funds, but these are deferred in the statement of net assets and are amortized over the life of bonds. This amount represents the balance at year end.		1,283,960
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		<u>(80,432,306)</u>
Net assets (deficit) of governmental activities	\$	<u><u>(50,309,750)</u></u>

The accompanying notes are an integral part of these financial statements.

SAN RAMON REDEVELOPMENT AGENCY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Period July 1, 2011 through January 31, 2012

	Special Revenue Funds	
	Low/Mod Income Housing Set-Aside	Redevelopment
Revenues:		
Property taxes	\$ 940,343	\$ 3,761,371
Intergovernmental	800	-
Investment income	547	1,009
Miscellaneous	9,919	1,014
	951,609	3,763,394
Expenditures:		
Current:		
Community development	-	-
Redevelopment	762,058	706,047
Capital outlay	-	-
Debt service:		
Principal retirement	-	-
Interest and fees	-	-
	762,058	706,047
Excess (deficiency) of revenues over (under) expenditures	189,551	3,057,347
Other financing sources (uses):		
Transfers out to the City	-	(150,000)
Transfers in	4,915,159	2,138,940
Transfers out	(1,753,948)	(5,161,703)
	3,161,211	(3,172,763)
Change in fund balances	3,350,762	(115,416)
Fund balances (deficits) at beginning of year	5,785,018	(3,367,599)
Fund balances (deficits) at end of year	\$ 9,135,780	\$ (3,483,015)

The accompanying notes are an integral part of these financial statements.

Capital Projects Fund	Debt Service Funds			Totals
	Redevelopment Tax Allocation 1998/2004	Redevelopment Tax Allocation 2006	Non-major ERAF Tax Bonds	
\$ -	\$ -	\$ -	\$ -	\$ 4,701,714
-	-	-	-	800
7,005	22,835	-	-	31,396
-	-	-	-	10,933
7,005	22,835	-	-	4,744,843
-	-	768	2	770
-	-	-	-	1,468,105
2,056,981	-	-	-	2,056,981
-	-	-	55,000	55,000
-	673,078	1,073,179	15,473	1,761,730
2,056,981	673,078	1,073,947	70,475	5,342,586
(2,049,976)	(650,243)	(1,073,947)	(70,475)	(597,743)
-	-	-	-	(150,000)
1,127,187	2,470,856	3,176,663	140,945	13,969,750
(820,000)	-	(6,234,099)	-	(13,969,750)
307,187	2,470,856	(3,057,436)	140,945	(150,000)
(1,742,789)	1,820,613	(4,131,383)	70,470	(747,743)
4,749,231	4,943,861	7,192,004	816	19,303,331
\$ 3,006,442	\$ 6,764,474	\$ 3,060,621	\$ 71,286	\$ 18,555,588

The accompanying notes are an integral part of these financial statements.

SAN RAMON REDEVELOPMENT AGENCY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Period July 1, 2011 through January 31, 2012

Net change in fund balances - total governmental funds	\$	(747,743)		
Amounts reported for governmental activities in the statement of activities are different because:				
Revenue from principal payments received from notes receivable is recorded as revenue in the governmental funds. Expenditures for notes receivable amounts loaned to outside parties are recorded as expenditures in the governmental funds. However, loan amounts and principal payments from notes receivable are eliminated from the statement of activities. This amount represents the change in the notes receivable for the fiscal year.				18,306
Net change in accrued interest payable for the current period.		46,488		
Bond issuance costs and premiums on bonds are expenditures in the governmental funds, but these are deferred in the statement of activities and are amortized over the life of the bonds. This amount represents the changes for the fiscal year.				(64,414)
Principal repayments of long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net assets.				<u>55,000</u>
Change in net assets of governmental activities	\$	<u>(692,363)</u>		

The accompanying notes are an integral part of these financial statements.

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

1. Summary of Significant Accounting Policies

(a) Reporting Entity – San Ramon Redevelopment Agency

The San Ramon Redevelopment Agency (the “Agency”) was established in 1985 pursuant to the State of California Health and Safety Code, Section 33000 entitled *Community Redevelopment Law*. Its purpose is to finance long-term capital improvements designed to eliminate physical and economic blight in a project area. The Alcosta / Crow Canyon Project Area was approved in May 1987 and it encompasses approximately 605.7 acres.

The actions of the Agency are binding and business is routinely transacted in the Agency’s name by its appointed representatives. The City Council acts as the Agency’s governing board and exerts significant influence over its operations. The Agency is empowered to engage in the general economic revitalization and redevelopment of the City within the broad perspective of the project area redevelopment plan.

On June 28, 2011, Assembly Bill x1 26 (“ABx1 26”) was enacted. This legislation is referred to herein as the Redevelopment Dissolution Law. On December 29, 2011, the California Supreme Court upheld the constitutionality of ABx1 26, and all redevelopment agencies in California were dissolved by operation of law, effective February 1, 2012. The legislation provides for successor agencies and oversight boards that are responsible for overseeing the dissolution process and the wind down of redevelopment activity. At the City’s meeting on January 10, 2012, the City Council affirmed its decision to serve as the Successor Agency to the Redevelopment Agency of the City of San Ramon, effective February 1, 2012.

Since the legislation was adopted, the City Council and Redevelopment Agency Board took several actions to comply with its requirements. One of its requirements was to develop an Enforceable Obligations Payment Schedules (EOPS) detailing the obligations of the Agency. The EOPS lists the Agency’s obligations and the amount due on the obligations.

The financial statements as of January 31, 2012 and for the period July 1, 2011 through January 31, 2012 serve as the final financial statements for the Agency. Effective February 1, 2012, all the activities related to the winding down of the former Agency’s financial affairs will be reported in the City of San Ramon’s Comprehensive Annual Financial Report (CAFR) as a fiduciary fund (private-purpose trust fund).

Under Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the Agency is a component unit of the City of San Ramon and, accordingly, is included in the City’s basic financial statements. The CAFR of the City of San Ramon can be obtained from the Finance Department at:

City of San Ramon
2226 Camino Ramon
San Ramon, CA 94583

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

1. Summary of Significant Accounting Policies, continued

(b) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Agency. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges for services and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Agency has determined the availability period to be 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payment is due.

Property taxes, charges for services, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

1. Summary of Significant Accounting Policies, continued

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The Agency reports the following major funds:

The Low / Mod Income Housing Set-Aside Special Revenue Fund has been set up to account for the 20% set aside of property tax increment to be used for low and moderate income housing.

The Redevelopment Special Revenue Fund is used to account for revenue in the form of property tax increments to be used for redevelopment related activities.

The Redevelopment Capital Projects Fund is used to account for acquisition, relocation, demolition and sale of land for those portions of the City earmarked as in need of redevelopment related activities.

The Redevelopment Tax Allocation 1998/2004 Debt Service Fund is used to account for debt service activity relating to the 2004 Tax Allocation Revenue Bonds and the 1998 Tax Allocation Revenue Bonds.

The Redevelopment Tax Allocation 2006 Debt Service Fund is used to account for debt service activity relating to the 2006 Tax Allocation Revenue Bonds.

(d) Cash and Investments

The Agency pools its investment funds with those of the City for maximum return. A substantial portion of these investments are held in the State Treasurer's Local Agency Investment Pool (LAIF), which is highly liquid.

Investments are included within the financial statement classifications of "Cash and investments" and "Restricted cash and investments" and are stated at fair value.

The Agency has adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Pools*, which require governmental entities to report certain investments at fair value and recognize the corresponding change in the fair value of investments in the year in which the change occurred.

(e) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the financial statement date are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

(f) Land Held for Resale

Land held for resale is valued at the lower of cost or estimated net realizable value, determined upon execution of a disposition and development agreement. The amount of land held for resale outstanding was \$3,092,668 at January 31, 2012.

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

1. Summary of Significant Accounting Policies, continued

(g) Capital Assets

Capital assets of the Agency are reported in the statement of net assets. Capital assets are defined by the Agency as all land and buildings; vehicles, and equipment with an initial individual cost of more than \$5,000; and improvements and infrastructure assets with costs of more than \$100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The Agency does not have any depreciable assets and, therefore, depreciation has not been recorded.

(h) Long-Term Obligations

In the government-wide statements, long-term obligations are recorded as liabilities in the statement of net assets.

(i) Property Taxes

The Agency receives incremental property taxes on property within its project area over a base-assessed valuation on the date the project area was established.

The duties of assessing and collecting property taxes are performed by the County of Contra Costa Assessor and Tax Collector, respectively. Under the County's "Teeter Plan," the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Tax levies cover the period from July 1 to June 30 of each year. All tax liens attach annually on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date.

Secured property taxes are levied against real property and are due and payable in two equal installments. The first installment is due on November 1 and becomes delinquent if not paid by December 10. The second installment is due on February 1 and becomes delinquent if not paid by April 10. Unsecured personal property taxes are due on July 1 each year.

(j) Allocation of Interest Income Among Funds

The City pools all non-restricted cash for investment purchases and allocates interest income based on month-end cash balances. Funds that have restricted cash record interest income in the respective fund. The Agency's funds are included in this allocation.

(k) Estimates

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

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

1. Summary of Significant Accounting Policies, continued

(1) Fund Balances

The Agency implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the period ended January 31, 2012. As a result, the Agency now reports the following classifications of fund balance:

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

Restricted – includes amounts that have constraints on the use of the resources by being externally imposed, imposed by law through constitution, or through enabling legislation.

Committed – includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision making authority, the City Council.

Assigned – includes amounts that are constrained by the Agency's intent to be used for a specific purpose.

Unassigned – the residual classification which includes all spendable amounts not contained in other classifications.

The Agency's Board authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted through a resolution. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Agency considers restricted amounts to be used first, then unrestricted. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: Committed, assigned, and then unassigned.

2. Stewardship, Compliance and Accountability

Budgetary Accounting

In conjunction with the City's budgeting process, the Agency is required to adopt an annual budget at the fund level, the legal level of budgetary control, which is in accordance with generally accepted accounting principles, for all of its funds on or before June 30 for the ensuing fiscal year.

3. Cash and Investments

Cash and investments as of January 31, 2012 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and investments	\$ 5,677,639
Restricted cash and investments	9,981,320
Total cash and investments	<u>\$ 15,658,959</u>

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

3. Cash and Investments, continued

Cash and investments as of January 31, 2012 consist of the following:

Cash pooled with City of San Ramon	\$ 5,677,639
Investments	9,981,320
	<hr/>
Total cash and investments	\$ 15,658,959
	<hr/> <hr/>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investment of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy; nor does the table address the investment of funds set aside for the payment of retiree health care benefits which are governed by a separate less restrictive section of the California Government Code.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None	None
Federal Agency Securities	5 years	None	None	None
Commercial Paper	270 days	A1/P1/F1	25%	10%
Medium-Term Notes	5 years	AA	30%	None
Bankers' Acceptances	180 days	None	40%	10%
Negotiable Time Certificates of Deposit	5 years	AA	30%	None
Repurchase Agreements	30 days	None	None	None
Money Market Mutual Funds	5 years	AAAm	15%	None
Municipal Bonds	5 years	AA	None	None
Local Agency Bonds	5 years	AA	None	None
Local Agency Investment Fund (LAIF)	N/A	None	15%	None

* Excluding amounts held by bond trustee and funds invested for the payment of retiree health care benefits.

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

3. Cash and Investments, continued

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the *investment types* that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address *interest rate risk*, *credit risk*, and *concentration of credit risk*.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer	Minimum Credit Quality
U.S. Treasury Obligations	None	None	None	None
Federal Securities	None	None	None	None
Federal Agency Obligations	3 years	None	None	AAA
Commercial Paper	270 days	None	None	A-1, AAA
Medium-Term Corporate Notes	5 years	None	None	None
Banker's Acceptance	366 days	None	None	A-1
Mortgage-backed Securities	None	None	None	None
Money Market Funds	N/A	None	None	AAAm
Municipal Bonds	None	None	None	AAA
Local Agency Bonds	None	None	None	None
Investment Agreements	30 years	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric. The City's cash and investment pool had a weighted average days to maturity of 342 days at January 31, 2012.

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

3. Cash and Investments, continued

Disclosures Relating to Interest Rate Risk, continued

Information about the sensitivity of the fair values of the Agency's investment (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity as of January 31, 2012:

Investment Type	Remaining Maturity				Total
	12 Months Or Less	13 to 24 Months	25-60 Months	More Than 60 Months	
Money Market Funds	\$ 5,677,639	\$ -	\$ -	\$ -	\$ 5,677,639
Held by bond trustee:					
Money Market Funds	7,509,973	-	-	-	7,509,973
Federal Agency Securities	1,299,937	1,171,410	-	-	2,471,347
	<u>\$ 14,487,549</u>	<u>\$ 1,171,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,658,959</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of period end for each investment type.

Investment Type	Minimum Legal Rating	Exempt From Disclosure	Rating as of Period End			Total
			AAA	A+	Not Rated	
Money Market Funds	AAA	\$ 5,677,639	\$ -	\$ -	\$ -	\$ 5,677,639
Held by bond trustee:						
Money Market Funds	AAA	7,509,973	-	-	-	7,509,973
Federal Agency Securities	N/A	1,299,937	1,171,410	-	-	2,471,347
		<u>\$ 14,487,549</u>	<u>\$ 1,171,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,658,959</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of *total Agency investments* are as follows:

Issuer	Investment Type	Amount
Federal National Mortgage Association	Federal Agency Securities	\$ 2,471,347

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

4. Interfund Activity

(a) Advances

The Redevelopment Agency Board authorized a loan from the Low/Mod Income Housing Set-Aside Fund to the Redevelopment Special Revenue Fund for \$2,888,859 for five years at the City pool interest rate. As part of the State's adopted 2009-10 budget, the State included a revenue shift of \$2.05 billion from California redevelopment agencies. For San Ramon, the Agency's share of this revenue shift is just under \$2.9 million for 2009-10.

The Redevelopment Agency Board authorized a loan from the Low/Mod Income Housing Set-Aside Fund to the Redevelopment Special Revenue Fund for an additional \$594,765 to supplement the State's Supplemental Educational Revenue Augmentation Fund for 2010-2011.

(b) Transfers

Inter-fund transfers for the period ended January 31, 2012 consisted of the following:

Transfers Out	Transfers In	Amount
Low/Mod Income Housing Set-Aside		
Special Revenue Fund	RDA Capital Projects	\$ 200,000 (b)
	RDA Tax Allocation 1998/2004	234,000 (c)
	RDA Tax Allocation 2006	1,319,948 (c)
		1,753,948
Redevelopment Special Revenue	RDA Capital Projects	927,187 (b) (d)
	RDA Tax Allocation 1998/2004	2,236,856 (c)
	RDA Tax Allocation 2006	1,856,715 (c)
	Nonmajor ERAF Tax Bond	140,945 (c)
		5,161,703
Redevelopment Capital Projects	Low/Mod Income Housing	820,000 (a)
Redevelopment Tax Allocation 2006	Low/Mod Income Housing	4,095,159 (a) (d)
	Redevelopment Special Revenue	2,138,940 (b) (d)
		6,234,099
		\$ 13,969,750

- a) Transfers to funds for operation expenditures
- b) Transfers to fund capital improvements
- c) Transfers to fund debt service
- d) Transfers to fund administrative expenses

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

5. Notes Receivable

Notes receivable activity for the period ended January 31, 2012 is as follows:

	Balance as of July 1, 2011	Increases	Decreases	Balance as of January 31, 2012
Greystone Homes	\$ 5,000	\$ -	\$ -	\$ 5,000
American Baptist Homes	5,500,000	-	-	5,500,000
REHAB Loan Program	315,938	-	(1,694)	314,244
Diablo Motors	-	20,000	-	20,000
Total	<u>\$ 5,820,938</u>	<u>\$ 20,000</u>	<u>\$ (1,694)</u>	<u>\$ 5,839,244</u>

(a) Greystone Homes, Inc.

In January 1996, the Agency and the City entered into an Affordable Housing Agreement with Greystone Homes, Inc. The agreement provides for various restrictions on the project to facilitate the affordability of housing units to qualifying low and moderate-income residents. The agreement calls for the reduction of the purchase price of affordable units by \$5,000. Upon initial sale of each affordable unit, the homebuyer will execute a promissory note to the Agency for \$9,925, accruing annually compounded interest at 3 percent for a term not to exceed 30 years. The homebuyer agrees to repay the note upon sale or transfer of the affordable unit. (For each note, \$4,925 represents the deferred payment of the San Ramon Valley Boulevard Widening Fee to the City). The outstanding balance as of January 31, 2012 was \$5,000.

(b) American Baptist Homes

In April 2007, the Agency approved a loan to American Baptist Homes in the amount of \$5,500,000 for the development and improvement of real property for the purpose of developing 105 units of multifamily housing for seniors to very low income and low income households in the City of San Ramon. The \$5,500,000 includes a \$750,000 loan from the State of California to the Agency which was loaned by the Agency to American Baptist Homes. The loan is due and payable in full no later than fifty-five (55) years from the completion date. The outstanding balance as of January 31, 2012 was \$5,500,000.

(c) REHAB Loan Program

In November 2007, the Agency implemented a Home Rehabilitation Loan Program to fund the existing Home Rehabilitation Grants and the Exterior Enhancement Rebate Program for fiscal year 2007-08. The Housing Rehabilitation Loan Program proposes a \$35,000 deferred loan be made available to medium, low, very low and extremely low income households at 3% interest. The loan would accrue interest for 30 years and be due upon sale, transfer, or refinance of the property. It is anticipated that repayments will start in year four of the program. Recycled funds will be used to fund future housing rehabilitation loans. The outstanding balance as of January 31, 2012 was \$314,244.

(d) Diablo Motors Commercial Rehabilitation Loan

On June 28, 2011, the Agency approved a resolution to enter into a loan agreement with Diablo Motors Auto Sales and Brokerage in the amount of \$20,000 over a ten year term for constructing the improvements of a property leased by Diablo Motors from the Agency. On July 22, 2011, the Agency executed the agreement. Interest on the loan is 5.5% per annum, simple interest. The outstanding balance as of January 31, 2012 was \$20,000.

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

6. Capital Assets

In accordance with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, the Agency has reported all capital assets in the statement of net assets. The following table presents the capital assets activity for the period ended January 31, 2012:

	Balance at July 1, 2011	Increases	Decreases	Balance at January 31, 2012
Capital assets not being depreciated:				
Land	\$ 5,860,365	\$ -	\$ -	\$ 5,860,365
Total capital assets not being depreciated	\$ 5,860,365	\$ -	\$ -	\$ 5,860,365

7. Long-Term Liabilities

Long-term liability activity for the period ending January 31, 2012 is as follows:

	Balance at July 1, 2011	Additions	Reductions	Balance at January 31, 2012	Due Within One Year
Tax allocation bonds:					
1998 Tax Allocation Bonds	\$ 20,380,000	\$ -	\$ -	\$ 20,380,000	\$ 770,000
2004 Tax Allocation Bonds	6,045,000	-	-	6,045,000	360,000
2006 Tax Allocation Bonds A	31,866,570	-	-	31,866,570	-
2006 Tax Allocation Bonds B	20,370,000	-	-	20,370,000	1,035,000
Premium on Debt	530,736	-	-	530,736	-
Revenue bonds:					
2005 ERAF Tax Revenue Bonds	240,000	-	(27,500)	212,500	27,500
2006 ERAF Tax Revenue Bonds	305,000	-	(27,500)	277,500	27,500
HELP Loan	750,000	-	-	750,000	-
Total long-term debt	\$ 80,487,306	\$ -	\$ (55,000)	\$ 80,432,306	\$ 2,220,000

(a) 1998 Tax Allocation Bonds

On April 1, 1998, tax allocation revenue bonds in the amount of \$26,920,000 were issued to advance refund certain tax allocation revenue bonds, to repay the long-term advance from the City and to finance capital projects. Interest on the bonds accrues at 3.60-5.30% and is payable semi-annually on February 1 and August 1. Principal is payable each February 1.

All tax increment revenues except dedicated housing tax increment allocation are the security for the bonds. These revenues have been pledged until the year 2028. The total debt service amount for the bonds is \$31.4 million. Pledged tax increment revenue recognized during the period ended January 31, 2012 was \$7.0 million in parity with the 2004 Tax Allocation Bond and the 2006 Tax Allocation Bonds Series A and B as against the total debt service payment of \$1.8 million.

Cash and investments in the custody of the fiscal agent are restricted by the bond resolutions for payment of principal and interest on the tax allocation bonds. In addition, the bonds resolutions require retention of funds held by the fiscal agent prior to use for other than debt service.

The Agency is in compliance with the covenants contained in debt indentures, which require the establishment of certain specific accounts for the tax allocation bonds.

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

7. Long-Term Liabilities, continued

(a) 1998 Tax Allocation Bonds, continued

Future debt service payments on the 1998 Tax Allocation Revenue Bonds payable will be made by the Successor Agency. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	1998 Tax Allocation Bonds		
	Principal	Interest	Total
2012 ⁽¹⁾	\$ 770,000	\$ 538,530	\$ 1,308,530
2013	810,000	1,039,330	1,849,330
2014	850,000	996,400	1,846,400
2015	895,000	951,350	1,846,350
2016	945,000	903,915	1,848,915
2017-2021	5,530,000	3,713,180	9,243,180
2022-2026	7,160,000	2,084,225	9,244,225
2027-2028	3,420,000	274,275	3,694,275
Total	<u>\$ 20,380,000</u>	<u>\$ 10,501,205</u>	<u>\$ 30,881,205</u>

⁽¹⁾ Period from February 1, 2012 through June 30, 2012

(b) 2004 Tax Allocation Bonds

On July 29, 2004, tax allocation revenue bonds in the amount of \$8,105,000 were issued to advance refund certain tax allocation revenue bonds. Interest on the bonds accrues at 2.5 to 5.0 percent and is payable semi-annually on February 1 and August 1. Principal is payable each February 1. Bonds maturing on or after August 1, 2004 are subject to call on any interest payment date at par plus a premium of up to two percent. Term bonds maturing February 1, 2024 are subject to mandatory sinking fund redemption at par commencing February 1, 2005. The bonds are payable solely from the Agency's tax increment revenues.

All tax increment revenues except dedicated housing tax increment allocation are the security for the bonds. These revenues have been pledged until the year 2024. The total debt service amount for the bonds is \$8.1 million. Pledged tax increment revenue recognized during the period ended January 31, 2012 was \$7.0 million in parity with the 1998 Tax Allocation Bond and the 2006 Tax Allocation Bonds Series A and B as against the total debt service payment of \$0.6 million.

Cash and investments in the custody of the fiscal agent are restricted by the bond resolutions for payment of principal and interest on the tax allocation bonds. In addition, the bond resolutions require retention of funds held by the fiscal agent prior to use for other than debt service.

The Agency is in compliance with the covenants contained in debt indentures, which require the establishment of certain specific accounts for the tax allocation bonds.

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

7. Long-Term Liabilities, continued

(c) 2004 Tax Allocation Bonds, continued

Future debt service payments on the 2004 Tax Allocation Revenue Bonds payable will be made by the Successor Agency. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	2004 Tax Allocation Bonds		
	Principal	Interest	Total
2012 ⁽¹⁾	\$ 360,000	\$ 131,898	\$ 491,898
2013	375,000	250,475	625,475
2014	390,000	236,600	626,600
2015	405,000	221,000	626,000
2016	420,000	204,800	624,800
2017-2021	2,385,000	741,210	3,126,210
2022-2024	1,710,000	169,015	1,879,015
Total	\$ 6,045,000	\$ 1,954,998	\$ 7,999,998

⁽¹⁾ Period from February 1, 2012 through June 30, 2012

(d) 2006 Tax Allocation Revenue Bonds

On October 24, 2006, tax allocation revenue bonds, series A and B in the amount of \$54,531,570 were issued to provide three separate loans to the Agency to finance projects of benefit to the City of San Ramon Redevelopment Project, to pay costs of issuance incurred in connection with the issuance of the bonds and to acquire reserve fund surety bonds for each series of the bonds. Interest on the bonds accrues at 5.00 to 5.95 percent and is payable semi-annually on February 1 and August 1. Principal is payable each February 1.

All tax increment revenues except dedicated housing tax increment allocation are the security for the bonds. These revenues have been pledged until the year 2038. The total debt service amount for the bonds is \$113.0 million. Pledged tax increment revenue recognized during the period ended January 31, 2012 was \$7.0 million in parity with the 1998 Tax Allocation Bond and the 2004 Tax Allocation Bond as against the total debt service payment of \$3.2 million.

Cash and investments in the custody of the fiscal agent are restricted by the bond resolutions for payment of principal and interest on the tax allocation bonds. In addition, the bond resolutions require retention of funds held by the fiscal agent prior to use for any other debt service.

The Agency is in compliance with the covenants contained in debt indentures, which require the establishment of certain specific accounts for the tax allocation bonds.

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

7. Long-Term Liabilities, continued

(d) 2006 Tax Allocation Revenue Bonds, continued

Future debt service payments on the 2006 Tax Allocation Revenue Bonds payable will be made by the Successor Agency. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	2006 Tax Allocation Revenue Bonds Series A		
	Principal	Interest	Total
2012 ⁽¹⁾	\$ -	\$ 488,375	\$ 488,375
2013	-	976,750	976,750
2014	-	976,750	976,750
2015	-	976,750	976,750
2016	-	976,750	976,750
2017-2021	2,092,964	6,585,786	8,678,750
2022-2026	3,340,018	9,023,732	12,363,750
2027-2031	4,849,066	14,239,684	19,088,750
2032-2036	13,194,522	9,365,228	22,559,750
2037-2038	8,390,000	634,250	9,024,250
Total	\$ 31,866,570	\$ 44,244,055	\$ 76,110,625

Year Ending June 30,	2006 Tax Allocation Revenue Bonds Series B		
	Principal	Interest	Total
2012 ⁽¹⁾	\$ 1,035,000	\$ 582,457	\$ 1,617,457
2013	1,095,000	1,110,058	2,205,058
2014	1,150,000	1,051,475	2,201,475
2015	1,210,000	989,375	2,199,375
2016	1,275,000	924,035	2,199,035
2017-2021	3,545,000	3,682,958	7,227,958
2022-2026	1,670,000	3,111,833	4,781,833
2027-2031	3,015,000	2,469,748	5,484,748
2032-2036	4,285,000	1,416,398	5,701,398
2037-2038	2,090,000	188,316	2,278,316
Total	\$ 20,370,000	\$ 15,526,653	\$ 35,896,653

⁽¹⁾ Period from February 1, 2012 through June 30, 2012

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

7. Long-Term Liabilities, continued

(e) 2005 ERAF Tax Revenue Bonds

In April 2005, the Agency issued bonds under the CRA/ERAF Loan Program to facilitate payment of 2004-05 ERAF property tax. These bonds are called 2005 California Statewide Communities Development Authority Taxable Revenue Bonds, carry interest rates ranging from 3.87% to 5.01%, and are payable in 10 years per the debt service schedule shown as follows:

Year Ending June 30,	2005 ERAF Tax Revenue Bonds		
	Principal	Interest	Total
2012 ⁽¹⁾	\$ 27,500	\$ 5,895	\$ 33,395
2013	60,000	9,167	69,167
2014	60,000	6,233	66,233
2015	65,000	3,257	68,257
Total	\$ 212,500	\$ 24,552	\$ 237,052

⁽¹⁾ Period from February 1, 2012 through June 30, 2012

(f) 2006 ERAF Tax Revenue Bonds

In May 2006, the Agency issued bonds under the CRA/ERAF Loan Program to facilitate payment of 2005-06 ERAF property tax. These bonds are called 2006 California Statewide Communities Development Authority Taxable Revenue Bonds, carry interest rates ranging from 5.28% to 5.67%, and are payable in 10 years per the debt service schedule shown as follows:

Year Ending June 30,	2006 ERAF Tax Revenue Bonds		
	Principal	Interest	Total
2012 ⁽¹⁾	\$ 27,500	\$ 8,553	\$ 36,053
2013	55,000	14,064	69,064
2014	60,000	10,995	70,995
2015	65,000	7,629	72,629
2016	70,000	3,969	73,969
Total	\$ 277,500	\$ 45,210	\$ 322,710

⁽¹⁾ Period from February 1, 2012 through June 30, 2012

(g) HELP Loan

In April 2007, the Agency received a Housing Enabled by Local Partnership (HELP) loan from the California Housing Finance Agency (CalHFA). The loan carries an interest rate of 3%, with principal and interest due 10 years from the original date of the loan. The \$750,000 was loaned by the Agency to American Baptist Homes as documented in Note 5(b).

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

8. Fund Equity

(a) Fund Balance Reserves

In the fund financial statements, the Agency has established reservations to segregate portions of fund balance which are not appropriable for expenditure in future periods, or which are legally set aside for a specific future use.

The Agency's governmental funds reserves at January 31, 2012 are presented below:

	Low/Mod Income Housing Fund	Redevelopment Special Revenue Fund	Redevelopment Capital Projects Fund	Redevelopment Tax Allocation Debt Service Fund	Redevelopment Tax Allocation 2006 Debt Service Fund	ERAF Tax Bond Debt Service Fund	Total
Nonspendable							
Advances	\$ 3,483,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,483,624
Restricted							
Land held for resale	3,092,668	-	-	-	-	-	3,092,668
Redevelopment	2,559,488	-	3,006,442	-	-	-	5,565,930
Debt Services	-	-	-	6,764,474	3,060,621	71,286	9,896,381
Total restricted	5,652,156	-	3,006,442	6,764,474	3,060,621	71,286	18,554,979
Unassigned	-	(3,483,015)	-	-	-	-	(3,483,015)
Total fund balance (deficit)	\$ 9,135,780	\$ (3,483,015)	\$ 3,006,442	\$ 6,764,474	\$ 3,060,621	\$ 71,286	\$ 18,555,588

9. Related Party Agreement

In February 2011, the City entered into a lease with the Agency for the lease of two separate Agency-owned properties within the San Ramon Redevelopment Project Area, for the purpose of developing affordable housing. Under the lease, the City will act as a master developer for the properties for a twenty (20) year term, during which time it will market the properties for affordable housing development, negotiate the terms of the redevelopment of the properties with developers selected by the City, and maintain and prepare the properties for development. The City will pay the Agency an annual lease payment of \$1. The lease also grants the City the option to purchase the properties for \$1. The nominal lease rate and purchase price are consistent with the restrictions on the development of these properties for low and moderate income housing and authorized by Health and Safety Code Section 33334.2.

The suspension provisions of ABx1 26 declare agreements between an agency and the city or county that created it invalid if entered into after January 1, 2011, and those provisions require the State Controller to review any redevelopment agency activities to determine whether an asset transfer between an agency and any public body occurred on or after January 1, 2011, in which case the State Controller may order the return of such assets to the redevelopment agency.

The lease between the City and the Agency described above falls within the scope of these provisions of ABx1 26.

SAN RAMON REDEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

For the Period July 1, 2011 through January 31, 2012

10. Prior Period Adjustment

During the period July 1, 2011 to January 31, 2012, beginning net assets were adjusted by the following:

(a) Land, in the name of the City, was transferred from the Agency to the City:

Agency-wide Statements:

Net assets at beginning of year as previously reported	\$ (48,688,499)
(a) Land adjustment	<u>(928,888)</u>
Net assets beginning of year, as restated	<u><u>\$ (49,617,387)</u></u>

11. Subsequent Events

Other than the dissolution of the redevelopment agencies as discussed in Note 1 to these financial statements, the City evaluated subsequent events for recognition and disclosure through March 13, 2013, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since January 31, 2012 that required recognition or disclosure in such financial statements.



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REQUIRED SUPPLEMENTARY INFORMATION

SAN RAMON REDEVELOPMENT AGENCY
BUDGET COMPARISON SCHEDULE
LOW/MOD INCOME HOUSING SET-ASIDE SPECIAL REVENUE FUND
For the Period July 1, 2011 through January 31, 2012

	Budget*		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Property taxes	\$ 1,562,577	\$ 1,562,577	\$ 940,343	\$ (622,234)
Intergovernmental	-	-	800	800
Investment income	-	-	547	547
Miscellaneous	196,000	196,000	9,919	(186,081)
Total revenues	<u>1,758,577</u>	<u>1,758,577</u>	<u>951,609</u>	<u>(806,968)</u>
Expenditures:				
Current:				
Redevelopment	<u>1,475,290</u>	<u>1,516,760</u>	<u>762,058</u>	<u>754,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>283,287</u>	<u>241,817</u>	<u>189,551</u>	<u>(52,266)</u>
Other financing sources (uses):				
Transfers in	1,470,661	1,470,661	4,915,159	3,444,498
Transfers out	<u>(1,753,948)</u>	<u>(1,753,948)</u>	<u>(1,753,948)</u>	<u>-</u>
Total other financing sources (uses)	<u>(283,287)</u>	<u>(283,287)</u>	<u>3,161,211</u>	<u>3,444,498</u>
Net change in fund balances	-	(41,470)	3,350,762	3,392,232
Fund balances at beginning of year	<u>5,785,018</u>	<u>5,785,018</u>	<u>5,785,018</u>	<u>-</u>
Fund balances at end of year	<u>\$ 5,785,018</u>	<u>\$ 5,743,548</u>	<u>\$ 9,135,780</u>	<u>\$ 3,392,232</u>

* For 12 month period from July 1, 2011 through June 30, 2012

SAN RAMON REDEVELOPMENT AGENCY

BUDGET COMPARISON SCHEDULE

REDEVELOPMENT SPECIAL REVENUE FUND

For the Period July 1, 2011 through January 31, 2012

	Budget*		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Property taxes	\$ 6,250,310	\$ 6,250,310	\$ 3,761,371	\$ (2,488,939)
Investment income	-	-	1,009	1,009
Miscellaneous	-	-	1,014	1,014
Total revenues	6,250,310	6,250,310	3,763,394	(2,486,916)
Expenditures:				
Current:				
Redevelopment	1,275,976	1,284,451	706,047	578,404
Pass-through payments	1,543,145	1,543,145	-	1,543,145
Total expenditures	2,819,121	2,827,596	706,047	2,121,549
Excess (deficiency) of revenues over (under) expenditures	3,431,189	3,422,714	3,057,347	(365,367)
Other financing sources (uses):				
Transfer in from the City	2,000,000	2,000,000	-	(2,000,000)
Transfers out to the City	(150,000)	(150,000)	(150,000)	-
Transfers in	2,060,513	2,060,513	2,138,940	78,427
Transfers out	(7,341,702)	(7,341,702)	(5,161,703)	2,179,999
Total other financing sources (uses)	(3,431,189)	(3,431,189)	(3,172,763)	258,426
Change in fund balances	-	(8,475)	(115,416)	(106,941)
Fund balances (deficit) at beginning of year	(3,367,599)	(3,367,599)	(3,367,599)	-
Fund balances (deficit) at end of year	\$ (3,367,599)	\$ (3,376,074)	\$ (3,483,015)	\$ (106,941)

* For 12 month period from July 1, 2011 through June 30, 2012

SAN RAMON REDEVELOPMENT AGENCY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
For the Period July 1, 2011 through January 31, 2012

1. Budgetary Accounting

In conjunction with the City's budgeting process, the Agency is required to adopt an annual budget at the fund level, the legal level of budgetary control, which is in accordance with generally accepted accounting principles, for all of its funds on or before June 30 for the ensuing fiscal year.

SUPPLEMENTARY INFORMATION

SAN RAMON REDEVELOPMENT AGENCY

BUDGET COMPARISON SCHEDULE

REDEVELOPMENT CAPITAL PROJECTS FUND

For the Period July 1, 2011 through January 31, 2012

	Final Budget*	Actual Amounts	Variance Positive (Negative)
Revenues:			
Investment income	\$ 35,000	\$ 7,005	\$ (27,995)
Total revenues	35,000	7,005	(27,995)
Expenditures:			
Capital outlay	1,083,163	2,056,981	(973,818)
Total expenditures	1,083,163	2,056,981	(973,818)
Excess (deficiency) of revenues over (under) expenditures	(1,048,163)	(2,049,976)	(1,001,813)
Other financing sources (uses):			
Transfers in	1,127,187	1,127,187	-
Transfers out	-	(820,000)	(820,000)
Total other financing sources (uses)	1,127,187	307,187	(820,000)
Change in fund balances	79,024	(1,742,789)	(1,821,813)
Fund balances at beginning of year	4,749,231	4,749,231	-
Fund balances at end of year	\$ 4,828,255	\$ 3,006,442	\$ (1,821,813)

* For 12 month period from July 1, 2011 through June 30, 2012

SAN RAMON REDEVELOPMENT AGENCY

BUDGET COMPARISON SCHEDULE

REDEVELOPMENT TAX ALLOCATION 1998/2004 DEBT SERVICE FUND

For the Period July 1, 2011 through January 31, 2012

	Final Budget*	Actual Amounts	Variance Positive (Negative)
Revenues:			
Investment income	\$ 40,000	\$ 22,835	\$ (17,165)
Total revenues	40,000	22,835	(17,165)
Expenditures:			
Debt service:			
Principal retirement	1,130,000	-	1,130,000
Interest and fees	1,532,156	673,078	859,078
Total expenditures	2,662,156	673,078	1,989,078
Excess (deficiency) of revenues over (under) expenditures	(2,622,156)	(650,243)	1,971,913
Other financing sources (uses):			
Transfers out to the City	(2,180,000)	-	2,180,000
Transfers in	4,650,856	2,470,856	(2,180,000)
Total other financing sources (uses)	2,470,856	2,470,856	-
Change in fund balances	(151,300)	1,820,613	1,971,913
Fund balances at beginning of year	4,943,861	4,943,861	-
Fund balances at end of year	\$ 4,792,561	\$ 6,764,474	\$ 1,971,913

* For 12 month period from July 1, 2011 through June 30, 2012

SAN RAMON REDEVELOPMENT AGENCY
BUDGET COMPARISON SCHEDULE
REDEVELOPMENT TAX ALLOCATION 2006 DEBT SERVICE FUND
For the Period July 1, 2011 through January 31, 2012

	Final Budget*	Actual Amounts	Variance Positive (Negative)
Revenues:			
Investment income	\$ 200,000	\$ -	\$ (200,000)
Total revenues	200,000	-	(200,000)
Expenditures:			
Current:			
Community development	-	768	(768)
Debt service:			
Principal retirement	1,035,000	-	1,035,000
Interest and fees	2,162,963	1,073,179	1,089,784
Total expenditures	3,197,963	1,073,947	2,124,016
Excess (deficiency) of revenues over (under) expenditures	(2,997,963)	(1,073,947)	1,924,016
Other financing sources (uses):			
Transfers in	3,176,663	3,176,663	-
Transfers out	(3,531,174)	(6,234,099)	(2,702,925)
Total other financing sources (uses)	(354,511)	(3,057,436)	(2,702,925)
Change in fund balances	(3,352,474)	(4,131,383)	(778,909)
Fund balances at beginning of year	7,192,004	7,192,004	-
Fund balances at end of year	\$ 3,839,530	\$ 3,060,621	\$ (778,909)

* For 12 month period from July 1, 2011 through June 30, 2012

SAN RAMON REDEVELOPMENT AGENCY
BUDGET COMPARISON SCHEDULE
NON-MAJOR ERAF TAX BOND DEBT SERVICE FUND
For the Period July 1, 2011 through January 31, 2012

	Final Budget*	Actual Amounts	Variance Positive (Negative)
Expenditures:			
Current:			
Community development	\$ -	\$ 2	\$ (2)
Debt service:			
Principal retirement	110,000	55,000	55,000
Interest and fees	30,945	15,473	15,472
Total expenditures	<u>140,945</u>	<u>70,475</u>	<u>70,470</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(140,945)</u>	<u>(70,475)</u>	<u>70,470</u>
Other financing sources (uses):			
Transfers in	<u>140,945</u>	<u>140,945</u>	<u>-</u>
Total other financing sources (uses)	<u>140,945</u>	<u>140,945</u>	<u>-</u>
Change in fund balances	-	70,470	70,470
Fund balances at beginning of year	<u>816</u>	<u>816</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 816</u></u>	<u><u>\$ 71,286</u></u>	<u><u>\$ 70,470</u></u>

* For 12 month period from July 1, 2011 through June 30, 2012



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