

DESERT HOT SPRINGS RDA
RDA PROJECT REVIEW
EXIT CONFERENCE
JULY 1, 2009 THROUGH JUNE 30, 2010
S11-PTX-902

W/P NO.
PREPARED BY:
DATE:

THE RDA PROJECT REVIEW

OBJECTIVE:

The objective of the review is to determine the RDA complied with accounting, reporting, and administrative requirements under Health and Safety Codes section 33080 and 33080.3.

SCOPE:

The focus of the review is for fiscal year 2009/10 and included, but not limited to the following:

Health and Safety Code reporting requirements
Low to moderate income housing fund requirements
Health and Safety Code Accounting requirements
Our review emphasis is compliance reporting

REVIEW SUMMARY

- 1) While the city did not present an annual report to its legislative Body. (H&S Code 33080.1), most of the information required in the annual report is found in other reports, documents, etc. that were submitted to the governing board and or government agencies for appropriate review and approval.

H&S 33080.1 - Every redevelopment agency shall submit the final report of any audit undertaken by any other local, state, or federal government entity to its legislative body within 30 days of receipt of that audit report. **In addition, every redevelopment agency shall present an annual report to its legislative body within six months of the end of the agency's fiscal year. The annual report shall contain all of the following:**

- (a) (1) An independent financial audit report for the previous fiscal year. The audit report shall meet, at a minimum, the audit guidelines prescribed by the Controller's office pursuant to Section 33080.3 and also include a report on the agency's compliance with laws, regulations, and administrative requirements governing activities of the agency, and a calculation of the excess surplus in the Low and Moderate Income Housing Fund as defined in subdivision (g) of Section 33334.12.

(c) A description of the agency's activities in the previous fiscal year affecting housing and displacement that contains the information required by Sections 33080.4 and 33080.7.

(d) A description of the agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year.

(e) A list of, and status report on, all loans made by the redevelopment agency that are fifty thousand dollars (\$50,000) or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the redevelopment agency.

(f) A description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year.

(g) A list of the fiscal years that the agency expects each of the following time limits to expire:

(1) The time limit for the commencement for eminent domain proceedings to acquire property within the project area.

(2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project.

(3) The time limit for the effectiveness of the redevelopment plan.

(4) The time limit to repay indebtedness with the proceeds of property taxes.

(h) Any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.

- 2) The cities audit financial statements did not include the excess surplus calculation H&S Code 33080.1(a). Note: This calculation can be found in other reports submitted to government agencies, and those reports showed that there was no excess surplus in the agencies low/ moderate housing fund.

H&S 33080.1 (a) (1) ... The audit report shall meet, at a minimum, the audit guidelines prescribed by the Controller's office pursuant to Section 33080.3 and also include a report on the agency's compliance with laws, regulations, and administrative requirements governing activities of the agency, and a calculation of the excess surplus in the Low and Moderate Income Housing Fund as defined in subdivision (g) of Section 33334.12.

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QUESTIONS/DISCUSSION (SEE ATTACHMENT A if applicable)

ACKNOWLEDGEMENT OF DISCUSSION

The above items were discussed and are understood.



AGENCY REPRESENTATIVE



DATE

F. PARTICIPANTS

| <u>NAME</u> | <u>AGENCY</u> | <u>TITLE</u> |
|------------------|----------------------------|------------------------|
| Scott Freesmeier | State Controller's Office | SCO Audit Specialist |
| Jason Simpson | City of Desert Hot Springs | Assistant City Manager |