

**El Cajon Housing Authority Agency
Annual Report (HSC Section 34176.1)**

California Health and Safety Code (HSC) section 34176.1 requires that the El Cajon Housing Authority staff present an annual report to its legislative body each year. The Annual Report consists of the following:

Report	HSC Section	Required Information	Exhibit
El Cajon of El Cajon Comprehensive Financial Report	34176.1(f)	Provide an independent financial audit of the Low and Moderate Income Housing Asset Fund, and shall be presented to its governing body.	A
Total Amounts Deposited	34176.1(f)(1)	The amount deposited to the Low and Moderate Income Housing Asset Fund, distinguishing any amounts deposited for items listed on the Recognized Obligation Payment Schedule from other amounts deposited.	B
Statement of Fund Balance	34176.1(f)(2)	A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.	C
Expenditures by Category	34176.1(f)(3)	A description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).	D
Statutory Value of Real Property and Loans Receivable	34176.1(f)(4)	As described in paragraph (1) of subdivision (a), the statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.	E
Description of any Transfers	34176.1(f)(5)	A description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.	None
Housing Project in ROPS	34176.1(f)(6)	A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.	F
Real Property Compliance	34176.1(f)(7)	For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16. For interests in real property acquired on or after February 1, 2012, a status update on the project.	G
Section 33413 Outstanding Obligations	34176.1(f)(8)	A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.	H

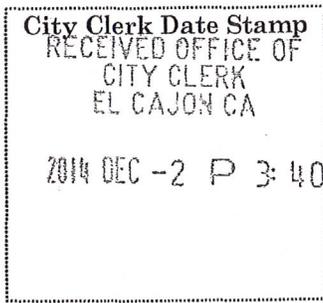
**EI Cajon Housing Authority Agency
Annual Report (HSC Section 34176.1)**

Section 33413 Outstanding Obligations	34176.1(f)(9)	The information required by subparagraph (B) of paragraph (3) of subdivision (a).	H
Housing Restricted to Seniors	34176.1(f)(10)	The percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the same time period.	I
Computation of Excess Surplus	34176.1(f)(11)	The amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus.	J

CITY OF EL CAJON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2014

Per City Council Item No. 1.7

<http://www.ci.el-cajon.ca.us/dept/FinanceReports.html>



City of El Cajon Agenda Report

MEETING: 12/09/2014

ITEM NO: 1.7



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Ambrose, Bales, McClellan

FROM: Director of Finance

SUBJECT: Comprehensive Annual Financial Report and Other Written
Communication from the City's Auditors for the Fiscal Year Ended
June 30, 2014

RECOMMENDATION: That the City Council receive and accept the Comprehensive Annual Financial Report (CAFR) and other written communication from the independent accounting firm of Rogers, Anderson, Malody & Scott, LLP, for the fiscal year ended June 30, 2014.

BACKGROUND: CAFR and Independent Auditors' Report

The CAFR is prepared annually to present the City's financial condition and the fiscal year end results of government-wide operations by fund. The financial statements have been audited by the firm of Rogers, Anderson, Malody & Scott, LLP, whose Independent Auditors' Report states that, in their opinion, the financial statements are presented fairly in all material respects and are in conformance with GAAP.

The CAFR is organized into five major sections. Introductory Section contains the table of contents and letter of transmittal. Financial Section contains the independent auditors' report, management's discussion and analysis, government-wide financial statements, fund financial statements, and notes to the financial statements. Required Supplementary Information contains budgetary comparison schedules for selected funds and certain other information. Supplementary Information contains financial statements for each individual fund not presented separately in the Financial Section. Statistical Section contains schedules displaying financial trends, revenue capacity, debt capacity, and demographic, economic, and operating information.

Other Correspondence

Independent Auditor's Report on Internal Control Over Financial Reporting which states the purpose of the report is solely to describe the scope of their testing of internal control and compliance and the results of that testing, not to provide an opinion of the effectiveness of the City's internal control or on compliance. Given these limitations, they did not identify any deficiencies in internal control that they consider material weaknesses or significant deficiencies.

Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets, prescribed by Article XIII-B of the California Constitution noted no exceptions.

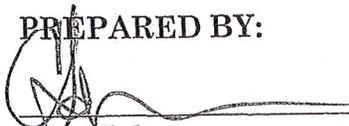
The Statement on Auditing Standards 114 (SAS 114) requires communication between the auditor and client in relation to the audit of financial statements. SAS 114 identifies certain information, which must be provided, such as qualitative aspects of accounting practices, management representations, and other audit findings or issues, among others. The independent auditors are communicating this information to the City Council in the attached letter.

Note

The Single Audit Report for Fiscal Year 2013-14 will be presented to the City Council for acceptance once completed by the auditors.

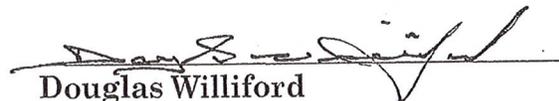
FISCAL IMPACT: None.

PREPARED BY:



Clay Schoen
DIRECTOR OF FINANCE

APPROVED BY:



Douglas Williford
CITY MANAGER

City of El Cajon California



**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014**

City of El Cajon, California

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014



*Honoring and celebrating
the people who make El Cajon
The Valley of Opportunity*

Prepared by the Finance Department



ROGERS, ANDERSON, MALODY & SCOTT, LLP
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INDEPENDENT AUDITOR'S 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

PARTNERS

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Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
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Juan Romero, CPA
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The Honorable City Council
City of El Cajon, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of El Cajon (the City), California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 1, 2014.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and other matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers Anderson Maloney & Scott, LLP

San Bernardino, CA
December 1, 2014



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The Honorable City Council
City of El Cajon, California

INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS

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We have performed the procedures enumerated below to the accompanying Appropriations Limit worksheet of the City of El Cajon, California, for the year ended June 30, 2014. These procedures, which were agreed to by the City of El Cajon, California and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City of El Cajon's management is responsible for the Appropriations Limit worksheet. 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

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3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. 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. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII-B of the California Constitution*.

This report is intended solely for the information and use of the City Council and management of the City of El Cajon, California and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Rogers Anderson Matocly & Scott, LLP

San Bernardino, CA
December 1, 2014

CITY OF EL CAJON
APPROPRIATIONS LIMIT COMPUTATION
2013 - 2014

	<u>2013 - 2014</u>
Per Capita Personal Income Change	5.12%
Population Change County Population Growth	0.80%
CPI Change Converted to a Ratio	1.0512
Population Change Converted to a Ratio	1.0080
Calculation of Growth Factor	1.0596
2012 - 2013 Limit	<u>\$ 122,281,146</u>
2013 - 2014 Appropriations Limit (122,281,146 X 1.0596)	<u>\$ 129,570,276</u>



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The Honorable City Council
City of El Cajon
El Cajon, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Cajon (the City) for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 30, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements. The City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The application of existing policies was not changed during the year to June 30, 2014. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

The estimate of the asset for the other post employment benefits is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Depreciation expense is the allocation of capital asset costs over the estimated useful life of a particular asset. The actual life of any single asset may vary significantly based on a variety of unknown factors, such as defects in the quality of manufacturing or materials used in the asset. Assets may last longer or shorter than anticipated resulting in disproportionate allocation of expense to various accounting periods. We evaluated the useful lives employed by the City to determine if the lives utilized appeared reasonable based on the asset classes in service.

Waste water disposal charges are based on waste water discharge estimates prepared by management. Meter flow measurements have not been used to determine the actual discharge. The use of estimates could result in additional fees or overpayment credits once actual meter flow measurements are determined. We discussed the key factors of these estimates with management and determined that estimation factors used are consistent with a reasonable discharge estimate.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of fair value of investments in the notes to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of accumulated depreciation in the notes to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosures of pension and other postemployment benefit obligations in the notes to the financial statements are based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosures in the financial statements are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 1, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Rogers Anderson Maloney & Scott, LLP

December 1, 2014

TOTAL AMOUNTS DEPOSITED

El Cajon Housing Authority
Fiscal Year 2013-2014
Low and Moderate Income Housing Asset Fund
Total Amounts Deposited

Category	Amount
Interest Income	\$ 49,315
Loan Repayments	284,185
Other Revenue	1,921
<i>Amounts from Recognized Obligation Payment Schedule</i>	172,873
Total Amounts Deposited to the Low & Moderate Income Housing Asset Fund	\$ 508,294

CITY OF EL CAJON
Balance Sheet
Governmental Funds
June 30, 2014

	General	Special Revenue	Capital Projects	Non-Major	Total Governmental Funds
		Housing Authority	Public Safety Facilities Project		
Assets:					
Cash and investments (note B)	\$ 27,751,802	\$ 1,956,011	\$ 19,209,955	\$ 15,633,817	\$ 64,551,585
Cash and investments with fiscal agent	-	-	-	2,657,195	2,657,195
Receivables:					
Accounts (note C)	724,728	-	-	48,403	773,131
Interest	70,479	2,794	25,931	2,998	102,202
Intergovernmental	236,258	-	-	1,916,057	2,152,315
Loans (note D)	4,021,800	12,352,482	-	9,774,253	26,148,535
Taxes	2,855,880	-	591,300	30,176	3,477,356
Prepaid items	2,616	1,039	-	2,078	5,733
Due from other funds	304,411	-	-	-	304,411
Total assets	\$ 35,967,974	\$ 14,312,326	\$ 19,827,186	\$ 30,064,977	\$ 100,172,463
Liabilities:					
Accounts payable	\$ 2,398,389	\$ 21,467	\$ 8,158	\$ 754,974	\$ 3,182,988
Accrued liabilities	1,169,612	-	264	21,910	1,191,786
Deposits payable	335,079	-	-	-	335,079
Due to other funds	-	-	-	304,411	304,411
Unearned revenue	116,794	-	-	-	116,794
Total liabilities	4,019,874	21,467	8,422	1,081,295	5,131,058
Deferred inflows of resources:					
Deferred inflows (note A)	4,021,800	939,873	-	941,626	5,903,299
Total deferred inflows of resources	4,021,800	939,873	-	941,626	5,903,299
Fund balance:					
Nonspendable					
Prepaid items	2,616	1,039	-	2,078	5,733
Restricted					
Animal shelter operations	-	-	-	39,527	39,527
Animal shelter project	-	-	-	244,497	244,497
Community development	-	997,465	-	686,017	1,683,482
Debt service	-	-	-	2,657,195	2,657,195
Loans receivable (note D)	-	12,352,482	-	9,774,253	22,126,735
Public safety	-	-	-	1,476,628	1,476,628
Public works project	-	-	-	306,491	306,491
RTCIP impact fee	-	-	-	189,280	189,280
Transportation projects	-	-	-	2,797,927	2,797,927
Committed	11,415,896	-	-	-	11,415,896
Assigned					
Capital projects	-	-	19,818,764	9,910,553	29,729,317
Unfunded retirement obligations	3,520,000	-	-	-	3,520,000
Unassigned	12,987,788	-	-	(42,390)	12,945,398
Total fund balance	27,926,300	13,350,986	19,818,764	28,042,056	89,138,106
Total liabilities, deferred inflows of resources and fund balance	\$ 35,967,974	\$ 14,312,326	\$ 19,827,186	\$ 30,064,977	\$ 100,172,463

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

CITY OF EL CAJON
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2014

	General	Special Revenue	Capital Projects	Non-Major	Total Governmental Funds
		Housing Authority	Public Safety Facilities Project		
Revenues:					
Charges for services	\$ 6,165,821	\$ -	\$ -	\$ -	\$ 6,165,821
Intergovernmental	1,200,445	-	-	6,152,917	7,353,362
Investment earnings	39,033	49,315	56,324	31,281	175,953
Licenses and permits	1,043,011	-	-	-	1,043,011
Other	3,733,061	174,794	401,334	623,571	4,932,760
Taxes	54,141,591	-	8,447,073	2,022,716	64,611,380
Total revenues	<u>66,322,962</u>	<u>224,109</u>	<u>8,904,731</u>	<u>8,830,485</u>	<u>84,282,287</u>
Expenditures:					
Current					
Community development	2,150,761	237,328	-	582,105	2,970,194
General government	11,158,991	-	-	-	11,158,991
Parks and recreation	4,575,258	-	-	59,678	4,634,936
Public safety	41,324,552	-	-	434,322	41,758,874
Public works	3,411,935	-	-	1,784,482	5,196,417
Capital outlay	-	-	140,747	6,303,175	6,443,922
Debt service					
Interest	-	-	-	792,604	792,604
Principal	-	-	-	7,187,000	7,187,000
Total expenditures	<u>62,621,497</u>	<u>237,328</u>	<u>140,747</u>	<u>17,143,366</u>	<u>80,142,938</u>
Excess (deficiency) of revenues over (under) expenditures	3,701,465	(13,219)	8,763,984	(8,312,881)	4,139,349
Other financing sources (uses):					
Transfers in	1,020,488	-	-	15,080,882	16,101,370
Transfers out	(3,329,707)	-	(7,902,600)	(4,735,278)	(15,967,585)
Total other financing sources (uses)	<u>(2,309,219)</u>	<u>-</u>	<u>(7,902,600)</u>	<u>10,345,604</u>	<u>133,785</u>
Net change in fund balances	1,392,246	(13,219)	861,384	2,032,723	4,273,134
Fund balances, beginning	<u>26,534,054</u>	<u>13,364,205</u>	<u>18,957,380</u>	<u>26,009,333</u>	<u>84,864,972</u>
Fund balances, ending	<u>\$ 27,926,300</u>	<u>\$ 13,350,986</u>	<u>\$ 19,818,764</u>	<u>\$ 28,042,056</u>	<u>\$ 89,138,106</u>

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

EXHIBIT "C"

STATEMENT OF FUND BALANCE

El Cajon Housing Authority
Fiscal Year 2013-2014
Low and Moderate Income Housing Assets Fund
Statement of Fund Balance

Beginning Fund Balance	\$13,364,205
Adjustment to Beginning Balance:	
Housing Loans Receivable, Prior Year	(12,328,367)
<i>Accrued Expenditures - ROPS</i>	<u>4,422</u>
Adjusted Beginning Balance	<u>1,040,260</u>
Total Revenues	508,294
<i>Revenues - ROPS</i>	<u>(172,873)</u>
Sum of Beginning Balance and Revenues	\$1,375,681
Total expenditures	(439,644)
Uncollectible/deferred housing loan receivables	(105,984)
<i>Expenditures - ROPS</i>	<u>168,451</u>
Ending Balance, Fiscal Year 2013-14	<u><u>\$998,504</u></u>

EXPENDITURES BY CATEGORY

El Cajon Housing Authority
Fiscal Year 2013-2014
Low and Moderate Income Housing Asset Fund
Expenditures by Category

Category	Amount
Planning and administrative costs	\$ 139,473
<i>Development of affordable housing (Project LM0707H - Reimbursement from ROPS)</i>	168,451
Uncollectible housing loan receivable of the former redevelopment agency	81,720
Subsidies to preserve the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency and/or housing authority	50,000
Total Expenditures	\$ 439,644

EXHIBIT "E"

STATUTORY VALUE OF REAL PRPERTY AND LOANS RECEIVABLE

El Cajon Housing Authority
Fiscal Year 2013-2014
Low and Moderate Income Housing Asset Fund
Statutory Value of Real Property and Loans Receivable

Description of Real Property	Parcel Number	Statutory Value
Lot adjacent to 146 Ballantyne	488-111-33-00	\$ 119,407
Lexington Avenue Senior Apartments	488-212-21-00	416,485
Lexington Avenue Senior Apartments - parking lot (See note)	488-212-22-00	1,478,554
131 Chambers Street	487-191-14-00	751,466
151-155 Chambers Street	487-180-09-00	777,252
382-386 Linda Way	487-180-10-00	633,440
376-380 Linda Way	487-180-11-00	633,448
360-370 Linda Way	487-180-12-00 & 487-180-13-00	1,365,626
Total Value of Real Property		6,175,677

Borrower	Account	Carrying Value
Chambers Senior Residences, L.P.	CHAMBERSSR	\$ 4,763,872
James C. Miller	GREEN1	416,299
El Cajon Gardens II, L.P.	LAURELVLGR	1,353,534
Lexington Avenue Senior Apartment	LEXSRAPTS	275,000
First-Time Homebuyer Loans	Various	5,543,777
Total Value of Loans Receivable		12,352,482

Total Values of Real Property and Loans Receivable **\$ 18,528,160**

Note:

On April 16, 2014, this real property was transferred by the Successor Agency to the El Cajon Housing Authority pursuant to the Successor Agency's Amended Long Range Property Management Plan approved by the Oversight Board on January 15, 2014, and by the California Department of Finance on February 20, 2014.

EXHIBIT "F"

**HOUSING PROJECT IN RECOGNIZED OBLIGATION
PAYMENT SCHEDULE (ROPS)**

El Cajon Housing Authority
Fiscal Year 2013-2014
Low and Moderate Income Housing Asset Fund
Housing Project - Recognized Obligation Payment Schedule

Project/Description	Enforceable Obligation Amount
<p>Greenovation Acquisition/Rehabilitation/Resale Program (LM0707H):</p> <p>This project provides funding for the acquisition of substandard or blighted single-family or multi-family properties to be sold to first-time homebuyers or transferred to the Housing Authority upon completion. Each property will be rehabilitated to include much needed health and safety, green and energy efficient improvements. Each unit will then be re-sold to low-and moderate- income households.</p> <p>The project received funding from the Reserve Balances held by the Successor Agency to pay the Enforceable Obligation with Bay Kitchen and Bath Remodelers (Developer). The use of Reserve Balances is subject to placement on each Recognized Obligation Payment Schedule (ROPS) for approval by the Oversight Board and California Department of Finance (DOF).</p> <p>Implementation of the project started in March 2011, which was delayed due to the dissolution of the former redevelopment agency. On 5/10/13, the developer acquire a property located at 812 Grossmont Avenue, and is currently under going substantial rehabilitation.</p> <p style="text-align: right;"><i>Project Completion</i>..... 2015</p>	<p>\$550,000</p>

EXHIBIT "G"

REAL PROPERTY COMPLIANCE

El Cajon Housing Authority

Low and Moderate Income Housing Asset Fund

Real Property Compliance - H&SC Section 34176.1 (f)(7)

For the fiscal year ended June 30, 2014

Item No.	Real Property	Date of transfer to Housing Authority	Interest in real property (option to purchase, easement, etc.)
1	131 Chambers Street	1/30/2012	Under DDA dated 03/23/10 and Ground Lease to Chambers Senior Residences LP.
2	151 Chambers Street	1/30/2012	Under DDA dated 03/23/10 and Ground Lease to Chambers Senior Residences LP.
3	146 Ballantyne	1/30/2012	Property sold on March 8, 2013 and proceeds from the sale was deposited to the LMIHAF.
4	Lot adj to 146 Ballantyne	1/30/2012	Lease to El Cajon Senior Towers dated 10/27/1997.
5	250 E. Lexington Ave	1/30/2012	Under DDA dated 11/30/1993 and Ground Lease to Lexington Senior Apartments.
6	391 Emerald Avenue #1	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
7	391 Emerald Avenue #2	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
8	391 Emerald Avenue #5	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
9	391 Emerald Avenue #7	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
10	391 Emerald Avenue #11	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
11	391 Emerald Avenue #12	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
12	403 Emerald Avenue #1	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
13	403 Emerald Avenue #3	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
14	403 Emerald Avenue #4	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
15	403 Emerald Avenue #5	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
16	403 Emerald Avenue #6	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
17	403 Emerald Avenue #8	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
18	403 Emerald Avenue #9	2/1/2012	Resale Restriction Agreement (required under Developer Affordable Housing Agreement dated 12/19/2001).
19	545 N. Mollison Ave; 950 E. Madison Avenue	2/1/2012	Regulatory Agreement and Declaration of Restrictive Covenants dated 03/01/1998.
20	Lexington Avenue Senior Apartments - parking lot	6/27/2014	Notice of Affordability Restrictions on Transfer of Property dated 3/8/2013.

SECTION 33413 OUTSTANDING OBLIGATIONS

El Cajon Housing Authority
Low and Moderate Income Housing Asset Fund
Section 33413 Outstanding Obligations - H&SC 34176.1(f)(8)(9)
For the fiscal year ended June 30, 2014

The Housing Authority will implement affordable housing initiatives in order to increase and improve the community's supply of affordable housing, and to achieve its affordable housing production. The Housing Authority will implement the residential and the rental component of the Housing Authority's strategy to continue to provide affordable housing opportunities by targeting low-income households by undertaking the following projects and programs.

Project/Description	Estimated Project Cost
<p>Linda Way / Chambers Senior Residences Project (LM704H)</p> <p>The Project is consistent with the General Plan designation for housing and meets the objectives of both the Community Redevelopment and Housing Authorities Law for the production or preservation of affordable housing units at risk of conversion to market rate. With the dissolution of the El Cajon Redevelopment Agency¹, 2012, this project and related assets, obligations, and functions were transferred to the Housing Authority. This project acquired and removed severely blighted properties that was a source of public nuisance and substandard living conditions in the Project Area. The site was redeveloped for the creation of 49 affordable senior housing units with mixed-use office/retail opportunities. The project is located at the intersection of Linda Way and Chambers Street.</p> <p><i>Project Completion</i>..... 2013</p>	<p>\$4,926,526</p>
<p>Weiland Development Project (Weiland)</p> <p>The former El Cajon Redevelopment Agency entered into an affordable housing agreement in April 2009 with Weiland Development Company for the acquisition of 26 single family units located within the Project Area. The units were completed over five phases and 100% of the units were sold to low and moderate-income households. Assistance were provided to the first-time homebuyers by utilizing the returns of funds received by the former Agency from the sale of each unit. The total Agency investment was approximately \$2.95 million for the acquisition and development of the property.</p> <p><i>Project Completion</i>..... 2012</p>	<p>\$2,950,000</p>

Project/Description	Estimated Project Cost
<p>California Dream First-Time Homebuyer Program (LM0702H)</p> <p>With dissolution of the El Cajon Redevelopment Agency effective February 1, 2012, this project is a continuation of first time homebuyer program, now under the responsibility of the Housing Authority, which assists low-income households to obtain homeownership. With the elimination of the California Dream FTHB Program, loan repayments received in the Low and Moderate Income Housing Asset Funds (LMIHAF) can be re-loaned to eligible homebuyers.</p> <p>The cost of housing is out of reach for most households in San Diego County without some type of assistance or subsidy. This program provides down payment and closing cost assistance to qualified low-income households in an amount needed to bridge the gap to make the unit affordable. Each loan is secured by a Deed of Trust, Affordable Housing Agreement, and Notice of Affordability Restrictions and requires repayment, with equity-share, under an affordability period as required under Community Redevelopment Law.</p> <p>The Housing Authority continues to monitor and service existing loans that were transferred by the former El Cajon Redevelopment Agency. It continues to provide first-time homebuyer loans to eligible buyers of property using loan repayments received.</p> <p><i>Project Completion</i>..... <i>Continuous</i></p>	<p>\$219,900</p>
<p>Greenovation Acquisition/Rehabilitation/Resale Program (LM0707H):</p> <p>This project provides funding for the acquisition of substandard or blighted single-family or multi-family properties to be sold to first-time homebuyers or transferred to the Housing Authority upon completion. Each property will be rehabilitated to include much needed health and safety, green and energy efficient improvements. Each unit will then be re-sold to low-and moderate- income households.</p> <p>The project receives funding from the Reserve Balances held by the Successor Agency to pay the Enforceable Obligation with Bay Kitchen and Bath Remodelers (Developer).</p> <p>Implementation of the project started in March 2011, which was delayed due to the dissolution of the former redevelopment agency. On 5/10/13, the Developer acquired a property located at 812 Grossmont Avenue, and is currently undergoing substantial rehabilitation.</p> <p>Recently, several unexpected construction constraints have delayed and increased the project's construction costs. These included additional concrete for driveway and other flatwork, fencing, new sewer lines, grading, soils report, new power lines, new gas lines, and block wall under a portion of the fence. Therefore, an increase to the existing budget in the amount of \$100,000 is required in order to complete the construction phase of the project and for the property to meet all City building requirements. Approximately \$70,000 is needed for construction changes, where the amended AHA will be for \$620,000. Additionally, \$30,000 will be reserved for other contingencies. The additional funding has been appropriated from the Low and Moderate Income Housing Asset Fund (LMIHAF).</p> <p><i>Project Completion</i>..... <i>2015</i></p>	<p>\$620,000</p>

Project/Description	Estimated Project Cost
<p>Housing Authority Project #1 (HA1201)</p> <p>The El Cajon Housing Authority elected to become the successor housing entity to the former El Cajon Redevelopment Agency, and accepted the former agency's housing assets and functions. The primary purpose of a Housing Authority is to provide decent, safe and sanitary housing for persons of low income. The Housing Authority seeks to meet the purpose of producing and/or preserving units for low-income persons through the acquisition and/or rehabilitation of multi-family units within the City.</p> <p>This project will provide funding to assist in the acquisition of a multi-family residential complex to produce or preserve affordable housing units for very-low and low-income households, potentially at risk of conversion to market rate, pursuant to California Health and Safety Code Section 33413(b)(2)(B).</p> <p>The Housing Authority is currently seeking multi-family housing dilapidated properties to purchase for rehabilitation purposes. As the properties are acquired and rehabilitated, the Housing Authority will provide decent and safe housing to very-low and low-income families.</p> <p><i>Project Completion</i>..... 2014-2015</p>	<p style="text-align: center;">\$1,173,200</p>

HOUSING RESTRICTED TO SENIORS

EI Cajon Housing Authority

Low and Moderate Income Housing Asset Fund

Housing Restricted to Seniors - H&SC 34176.1(f)(10)

For the fiscal year ended June 30, 2014

Item #	Legal Title and Description	Date of transfer to Housing Successor Agency	Project Type	Total # of Senior Units	Total # of Units	Percentage of Units
1	131-151 Chambers Street	1/30/2012	Senior Housing	48	49	98%
2	180 Ballantyne	1/30/2012	Senior Housing	13	13	15%
3	250 E. Lexington Ave	1/30/2012	Senior Housing	100	100	100%

COMPUTATION OF EXCESS SURPLUS

El Cajon Housing Authority
Fiscal Year 2013-2014
Low and Moderate Income Housing Assets Fund
Computation of Excess Surplus

	Excess Surplus for Fiscal Year 2013-2014	Excess Surplus for Fiscal Year 2014- 2015
Beginning Fund Balance	\$13,364,205	\$13,350,986
Adjustments to Fund Balance:		
Housing Loans Receivable	(12,328,367)	(12,352,482)
Net Resources Available	<u>\$1,035,838</u>	<u>\$998,504</u>
Sum of 4 Previous Years' Deposits		
2013-2014	0	510,294
2012-2013	1,231,859	1,231,859
2011-2012	3,456,740	3,456,740
2010-2011	3,816,580	3,816,580
2009-2010	3,195,478	3,816,580
Total	<u>\$11,700,656</u>	<u>\$9,015,472</u>
Greater of \$1,000,000 or the sum of 4 previous year's deposits	<u>\$11,700,656</u>	<u>\$9,015,472</u>
Computed Excess Surplus	\$0	\$0
Excess Surplus Expenditure Plan	None	None
Excess Surplus Plan Adoption Date	None	None

Note: Fiscal years 2009-2010, 2010-2011, and 2011-2012 include deposits of 20% set-aside from property tax increments.