

**OVERSIGHT BOARD RESOLUTION NO. 2012-15**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MISSION VIEJO RECEIVING FROM THE SUCCESSOR AGENCY, AND CONVENING A PUBLIC COMMENT SESSION OF, THE INDEPENDENT ACCOUNTANT'S REPORT RE THE NON-HOUSING DUE DILIGENCE REVIEW CONDUCTED PURSUANT TO SECTION 34179.5; DIRECTING SUCCESSOR AGENCY STAFF TO MAKE SUCH REPORT AVAILABLE TO THE PUBLIC FOR REVIEW AND COMMENT FOR NOT LESS THAN FIVE (5) BUSINESS DAYS HEREAFTER; DIRECTING SUCCESSOR AGENCY STAFF TO RECEIVE FROM THE COUNTY AUDITOR-CONTROLLER (CAC) THE RESULTS/OPINIONS, IF ANY, OFFERED BY THE CAC OF SUCH REPORT AND DIRECTING TRANSMITTAL THEREOF TO THE OVERSIGHT BOARD FOR CONSIDERATION WITH PUBLIC'S COMMENTS, IF ANY; AND, DIRECTING SUCCESSOR AGENCY STAFF THAT AFTER SUCH REVIEWS AND PRIOR TO JANUARY 15, 2013 THAT THE REPORT BE PRESENTED AGAIN TO THE OVERSIGHT BOARD FOR FINAL REVIEW AND ACTION TAKING INTO CONSIDERATION THE PUBLIC COMMENTS AND THE RESULTS/OPINIONS, IF ANY, OFFERED BY THE CAC, ALL PURSUANT TO SECTIONS 34179.5 AND 34179.6 OF THE DISSOLUTION ACT**

**WHEREAS**, the Community Development Agency of the City of Mission Viejo ("Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL"), and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Mission Viejo ("City"); and

**WHEREAS**, Assembly Bill x1 26 chaptered and effective on June 27, 2011 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012 (together, the "Dissolution Act"); and

**WHEREAS**, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Act and as a separate legal entity the City serves as the Successor Agency to the Community Development Agency of the City of Mission Viejo ("Successor Agency"); and

**WHEREAS**, the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

**WHEREAS**, pursuant to Section 34179 the Successor Agency's Oversight Board has been formed and the initial meeting has occurred on March 29, 2012 and

**WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

**WHEREAS**, by Resolution the Oversight Board previously approved the first, second and third ROPS in the form attached to the resolution approving each ROPS; and

**WHEREAS**, no further action is required by the Oversight Board as to the first, second and third ROPS in connection with its actions on the non-housing due diligence review report; and

**WHEREAS**, Section 34179.5 requires the Successor Agency to employ a licensed accountant approved by the Orange County Auditor-Controller to perform a due diligence review and report on the amount of funds transferred from the former Community Development Agency of the City of Mission Viejo; and

**WHEREAS**, on July 19, 2012, the Orange County Auditor-Controller provided written approval to Successor Agency staff of their selection of Rogers, Anderson, Malody & Scott as the licensed accountant to perform the due diligence review for the Successor Agency; and

**WHEREAS**, on August 30, 2012, the Department of Finance posted on its official website the agreed-upon procedures to conduct the due diligence reviews; and

**WHEREAS**, in accordance with the provisions of the agreed-upon procedures and provisions of Section 34179.5, Rogers, Anderson, Malody & Scott has completed the non-housing due diligence review and report a copy of which is attached hereto and incorporated by this reference; and

**WHEREAS**, pursuant to Section 34179(h) as amended by Assembly Bill 1484 effective June 27, 2012, written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. Generally, an oversight board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review provided however the subject report will be considered and acted on pursuant to the process and timing of Sections 34179.5 and 34179.6.

**NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MISSION VIEJO:**

**Section 1.** The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**Section 2.** Pursuant to the Dissolution Act, the Oversight Board (a) receives the Non-Housing Due Diligence Review Report as submitted herewith as Attachment 1, (b) convenes a public comment session on such report, directs Successor Agency staff to make such report available to the public for review and comment for not less than five (5) business days hereafter, (c) directs Successor Agency staff to receive from the

County Auditor-Controller (CAC) the results/opinions, if any, offered from the CAC's review of such report, (d) directs transmittal thereof back to this Oversight Board for consideration with the public's comments, if any, (e) directs Successor Agency staff that after such reviews and prior to January 15, 2013 that the report be presented again to this Oversight Board for final review and action taking into consideration the public comments and the results/opinions, if any, offered by the CAC, all pursuant to sections 34179.5 and 34179.6 of the Dissolution Act.

**Section 3.** The City Treasury Manager or her authorized designee is directed to post this Resolution on the Successor Agency website pursuant to the Dissolution Act.

**Section 4.** Pursuant to Section 34179(h) as amended by Assembly Bill 1484 effective June 27, 2012, written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. Generally, an oversight board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review provided however the subject report will be considered and acted on pursuant to the process and timing of Sections 34179.5 and 34179.6.

**Section 5.** The Secretary of the Oversight Board shall certify to the adoption of this Resolution.


**APPROVED AND ADOPTED** this 3<sup>rd</sup> day of December 2012.

  
\_\_\_\_\_  
Robert D. Breton, Chair  
Oversight Board of the Successor Agency to the  
Community Development Agency of the City of  
Mission Viejo

ATTEST:

  
\_\_\_\_\_  
Sherry Merrifield, Secretary  
Oversight Board of the Successor Agency  
to the Community Development Agency of the City of Mission Viejo

APPROVED AS TO FORM:  
HARPER & BURNS LLP

  
\_\_\_\_\_  
John R. Harper, Esq.  
Oversight Board Counsel

STATE OF CALIFORNIA            )  
COUNTY OF ORANGE            ) ss.  
CITY OF MISSION VIEJO         )

I, Sherry Merrifield, Secretary of the Oversight Board of the Successor Agency to the Community Development Agency of the City of Mission Viejo, hereby certify that the foregoing resolution was duly adopted by the Oversight Board at a special meeting held on the 3<sup>rd</sup> day of December 2012, and that it was so adopted by the following vote:

AYES:            Board Member Dyas, Board Member Fitzsimons, Board Member Hampton, Board Member Imburgia, Board Member Ury and Chairperson Breton

NOES:           None

ABSENT:         Vice-Chairperson Probolsky



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Sherry Merrifield, Secretary  
Oversight Board of the Successor Agency to the  
Community Development Agency of the City of  
Mission Viejo

**ATTACHMENT 1**

**Non-Housing Due Diligence Review Report**

**(attached)**



**Successor Agency to the City of Mission Viejo  
Community Development Agency**

**Independent Accountants' Report on Applying  
Agreed-Upon Due Diligence Review Procedures**

**All Other Funds of the Successor Agency  
Combined (Excluding the Low and  
Moderate Income Housing Fund)**

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

**Oversight Board of the Successor Agency to the  
City of Mission Viejo Community Development Agency  
Mission Viejo, California**

**Independent Accountants' Report  
on Applying Agreed-Upon Procedures**

We have performed the minimum required agreed-upon procedures enumerated in Attachment A, which were agreed to by the Successor Agency to the City of Mission Viejo Community Development Agency (Successor Agency), the California State Controller's Office, and the State of California Department of Finance, solely to assist you in determining the Successor Agency's statutory compliance with California Health and Safety Code Section 34179.5. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to California Health and Safety Code Section 34179.5.

This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

The scope of this engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A along with the results of the procedures performed.

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

This report is intended solely for the information and use of the applicable agencies and the Successor Agency, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Rogers Anderson Maloney & Scott, LLP*

November 29, 2012

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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Our procedures and results are as follows:

**Citation:**

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

**Procedure(s):**

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

Results:

*We obtained a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. We noted that the assets transferred, excluding the Low and Moderate Income Housing Fund, totaled \$3,921,587. The amounts on the listing agreed to account balances in the accounting records of the Successor Agency. The listing of all assets transferred is attached as Exhibit 1.*

**Citation:**

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

**Procedure(s):**

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

Results:

*The State Controller's Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8.*

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5**

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

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

Results:

*We obtained a listing of transfers (excluding payments for goods and services) from the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) to the city for the period from January 1, 2011 through January 31, 2012. The listing of transfers is attached as Exhibit 2.*

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Results:

*We obtained a listing of transfers (excluding payments for goods and services) from the Successor Agency to the city for the period from February 1, 2012 through June 30, 2012. The listing of transfers is attached as Exhibit 2.*

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Results:

*We obtained the legal documents that formed the basis for the enforceable obligations that required any transfers. No exceptions were noted. The basis for the transfers is noted in the schedule provided by the Successor Agency attached as Exhibit 2.*

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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**Citation:**

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

**Procedure(s):**

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

Results:

*The State Controller's Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8.*

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

Results:

*We obtained a listing of transfers (excluding payments for goods and services) from the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) to public agencies or to private parties for the period from January 1, 2011 through January 31, 2012. The listing of transfers is attached as Exhibit 3.*

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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Results:

*We obtained a listing of transfers (excluding payments for goods and services) from the Successor Agency to public agencies or to private parties for the period from February 1, 2012 through June 30, 2012. The listing of transfers is attached as Exhibit 3.*

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Results:

*We obtained the legal documents that formed the basis for the enforceable obligations that required any transfers. No exceptions were noted. The basis for the transfers is noted in the schedule provided by the Successor Agency attached as Exhibit 3.*

**Citation:**

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

**Procedure(s):**

4. Perform the following procedures:
- A. Obtain from the Successor Agency a summary of the financial transactions of the redevelopment agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
  - B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers account fully for the changes in equity from the previous fiscal period.
  - C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the State Controller's report filed for the redevelopment agency for that period.
  - D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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Results:

- A. We obtained a summary of the financial transactions of the redevelopment agency and the Successor Agency. The summary is attached as Exhibit 4.
- B. We verified that the total of revenues, expenditures, and transfers for each period presented account fully for the changes in equity from the previous fiscal period. No exceptions were noted.
- C. We compared the amounts on the schedule relevant to the fiscal year ended June 30, 2010 to the State Controller's report filed for the redevelopment agency for that period. Total revenues, total expenditures, total transfers, net change in equity, beginning equity, and ending equity agreed to the State Controller's report. We noted some differences in total assets and total liabilities which resulted because the summary of financial transactions was prepared using the modified accrual basis of accounting (as directed), and the State Controller's report is presented on an other comprehensive basis of accounting. We compared the amounts on the schedule for the same period to the 2010 Comprehensive Annual Financial Report (CAFR), which was prepared on the modified accrual basis of accounting, and noted that all amounts agreed to the CAFR.
- D. We compared the amounts on the schedule for the redevelopment agency for the 12 months ended June 30, 2011 to the 2011 CAFR, and no exceptions were noted. We compared the amounts on the schedule for the redevelopment agency for the 7 months ended January 31, 2012 to the general ledger detail reports of the accounting records and to the 2012 CAFR, and no exceptions were noted. We compared the amounts on the schedule for the Successor Agency for the 5 months ended June 30, 2012 to the 2012 CAFR, and no exceptions were noted.

**Citation:**

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

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

**Procedure(s):**

5. Obtain from the Successor Agency a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the AUP report.

Results:

*We obtained a listing of assets of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund). We agreed the assets listed to balances reflected in the 2012 Comprehensive Annual Financial Report. The listing of assets is attached as Exhibit 5.*

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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**Citation:**

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

**Procedure(s):**

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

A. Unspent bond proceeds:

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

Results:

*According to Successor Agency officials, there were no unspent bond proceeds held by the Successor Agency to the former redevelopment agency as of June 30, 2012.*

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

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



**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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Results:

*According to Successor Agency officials, there were no grant proceeds and program income held by the Successor Agency to the former redevelopment agency as of June 30, 2012 that are restricted by third parties.*

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

Results:

*According to Successor Agency officials, there were no other assets held by the Successor Agency to the former redevelopment agency as of June 30, 2012 considered to be legally restricted.*

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Results:

*No Successor Agency prepared schedule(s) were attached because according to Successor Agency officials, the Successor Agency did not hold any assets that were restricted for the purposes described above as of June 30, 2012.*

**Citation:**

*34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.*

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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**Procedure(s):**

7. Perform the following procedures:

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

Results:

*According to Successor Agency officials, there were no assets that were not liquid or otherwise available for distribution.*

- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

Results:

*This procedure was not applicable.*

- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

Results:

*This procedure was not applicable.*

- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Results:

*This procedure was not applicable.*

**Successor Agency to the City of Mission Viejo Community Development Agency****Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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**Citation:**

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

**Procedure(s):**

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

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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Results:

*We obtained an itemized schedule of asset balances as of June 30, 2012 that were dedicated or restricted for the funding of enforceable obligations.*

- i. We compared all information on the schedule to the legal documents that formed the basis for the dedication or restriction of the cash balance. We noted that all amounts on the schedule were supported by legal documentation. No exceptions were noted.*
- ii. We compared the amounts on the schedule to the 2012 Comprehensive Annual Financial Report (CAFR), and noted that the total agreed to the balance of accounts payable on the 2012 CAFR. No exceptions were noted.*
- iii. We compared each item listed on the schedule to the final Recognized Obligation Payment Schedule (ROPS) approved by the California Department of Finance. We noted that all items on the schedule were for approved enforceable obligations on ROPS I.*
- iv. The schedule is attached as Exhibit 6.*

B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:

- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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Results:

*Successor Agency officials provided the following response:*

*Assuming that there will be no further State "take aways", further decline in property values, any legal actions arising from the normal course of business by the Successor Agency and its Oversight Board, and significant increases in County and State administrative fees, Successor Agency officials believe that projected property tax revenues and other general revenues to be received are sufficient to fund future obligation payments.*

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Results:

*Successor Agency officials provided the following response:*

*Assuming that there will be no further State "take aways", further decline in property values, any legal actions arising from the normal course of business by the Successor Agency and its Oversight Board, and significant increases in County and State administrative fees, Successor Agency officials believe that projected property tax revenues and other general revenues to be received are sufficient to pay bond debt service payments.*

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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- ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
- iii. Include the calculation in the AUP report.

**Results:**

*This procedure was not applicable.*

**Citation:**

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

**Procedure(s):**

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

**Results:**

*We obtained a schedule of cash balances as of June 30, 2012 that needed to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through December 31, 2012. We compared the items listed on the schedule to the final ROPS for that period, and noted that all items included on the schedule were also included on the final approved ROPS. We noted that the total of the enforceable obligations on the final ROPS exceeded the cash balance in the Successor Agency as of June 30, 2012. The schedule is attached as Exhibit 7.*

**Successor Agency to the City of Mission Viejo Community Development Agency****Due Diligence Review Pursuant to Health & Safety Code Section 34179.5  
All Other Funds Combined (Excluding the Low and Moderate Income Housing Fund)**

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**Citation:**

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

**Procedure(s):**

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

**Results:**

*The schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities for all other funds combined (excluding the Low and Moderate Income Housing Fund) is included as Exhibit 8.*

**Procedure(s):**

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

**Results:**

*A representation letter was obtained from Successor Agency management.*

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Detail of Transfers from the Former Redevelopment Agency to the Successor Agency on February 1, 2012**

*Prepared by Successor Agency:*

<u>Fund</u>	<u>General Ledger Account</u>	<u>Asset Description</u>	<u>Fund 291 RDA Obligation Retirement Fund</u>
368	1000	Cash and Investements	\$ 6,115
369	1000	Cash and Investements	12,118
370	1000	Cash and Investements	3,947,193
458	1000	Cash and Investements	(49,166)
370	1190	Interest Receivable	5,327
			<u>\$ 3,921,587</u>



**Successor Agency to the City of Mission Viejo Community Development Agency**

**Detail of Transfers from the Former Redevelopment Agency to the City for the Periods January 1, 2011 through January 31, 2012 and February 1, 2012 through June 30, 2012**

*Prepared by Successor Agency:*

January 1, 2011 through January 31, 2012:

<u>Purpose of Transfer</u>	<u>Transfer Amount</u>	<u>Transfer Date</u>	<u>Transfer to City/County</u>	<u>Enforceable Obligation</u>	
				<u>Required By</u>	<u>Date</u>
Negotiated pass through payments	\$ 50,818	2/25/2011	City of Mission Viejo Library	Tax Sharing Agreement	9/9/1992
Loan principal payment	492,000	3/17/2011	City of Mission Viejo	Loan Agreement	7/20/2009
Loan interest payment	1,880	3/17/2011	City of Mission Viejo	Loan Agreement	7/20/2009
Tax Allocation Note principal payment	920,000	3/30/2011	City of Mission Viejo	2009 Tax Allocation Note	5/29/2009
Tax Allocation Note interest payment	24,603	5/23/2011	City of Mission Viejo	2009 Tax Allocation Note	5/29/2009
Negotiated pass through payments	58,721	8/29/2011	City of Mission Viejo Library	Tax Sharing Agreement	9/9/1992
Tax Allocation Note interest payment	12,100	11/23/2011	City of Mission Viejo	2009 Tax Allocation Note	5/29/2009
	<u>\$ 1,560,122</u>				

February 1, 2012 through June 30, 2012:

<u>Purpose of Transfer</u>	<u>Transfer Amount</u>	<u>Transfer Date</u>	<u>Transfer to City/County</u>	<u>Enforceable Obligation</u>	
				<u>Required By</u>	<u>Date</u>
Negotiated pass through payments	\$ 55,131	2/29/2012	City of Mission Viejo Library	Tax Sharing Agreement	9/9/1992
Tax Allocation Note principal payment	605,000	5/30/2012	City of Mission Viejo	2009 Tax Allocation Note	5/29/2009
Tax Allocation Note interest payment	12,100	5/30/2012	City of Mission Viejo	2009 Tax Allocation Note	5/29/2009
	<u>\$ 672,231</u>				

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Detail of Transfers from the Former Redevelopment Agency to any Other Public Agency or to Private Parties for the Periods January 1, 2011 through January 31, 2012 and February 1, 2012 through June 30, 2012**

*Prepared by Successor Agency:*

January 1, 2011 through January 31, 2012:

Purpose of Transfer	Transfer Amount	Transfer Date	Transfer to Other Public Agency or Private Parties	Enforceable Obligation	
				Required By	Date
Owner participation agreement payment	\$ 13,545	1/25/2011	GSM Auto Group, LLC	Owner Participation Agreement	4/3/2000
Mall bond debt service payment	350,000	2/1/2011	Bank of New York	Tax Increment Pledge Agreement	5/1/1999
Negotiated pass through payments	293,216	2/25/2011	County of Orange	Tax Sharing Agreement	9/9/1992
Negotiated pass through payments	6,900	2/25/2011	Orange County Dept. of Education	Tax Sharing Agreement	10/26/1992
Negotiated pass through payments	342,568	2/25/2011	Orange County Fire Authority	Tax Sharing Agreement	9/9/1992
Negotiated pass through payments	185,763	2/25/2011	Saddleback Valley Unified School District	Tax Sharing Agreement	10/26/1992
Negotiated pass through payments	37,438	2/25/2011	So. Orange County Communiity College District	Tax Sharing Agreement	10/26/1992
Negotiated pass through payments	728,838	2/25/2011	Capistrano Unified School District	Tax Sharing Agreement & Tax Sharing Implementation Agreement	12/14/1992 11/16/1998
SERAF payment	365,607	4/26/2011	County of Orange	Health and Safety Code Section 33690.5	N/A
Owner participation agreement payment	8,953	4/26/2011	GSM Auto Group, LLC	Owner Participation Agreement	4/3/2000
Owner participation agreement payment	9,461	6/15/2011	GSM Auto Group, LLC	Owner Participation Agreement	4/3/2000
Negotiated pass through payments	289,375	8/29/2011	County of Orange	Tax Sharing Agreement	9/9/1992

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Detail of Transfers from the Former Redevelopment Agency to any Other Public Agency or to Private Parties for the Periods January 1, 2011 through January 31, 2012 and February 1, 2012 through June 30, 2012**

*Prepared by Successor Agency:*

January 1, 2011 through January 31, 2012 (continued):

Purpose of Transfer	Transfer Amount	Transfer Date	Transfer to Other Public Agency or Private Parties	Enforceable Obligation	
				Required By	Date
Negotiated pass through payments	17,828	8/29/2011	Orange County Dept. of Education	Tax Sharing Agreement	10/26/1992
Negotiated pass through payments	395,847	8/29/2011	Orange County Fire Authority	Tax Sharing Agreement	9/9/1992
Negotiated pass through payments	110,037	8/29/2011	Saddleback Valley Unified School District	Tax Sharing Agreement	10/26/1992
Negotiated pass through payments	96,739	8/29/2011	So. Orange County Communiity College District	Tax Sharing Agreement	10/26/1992
Negotiated pass through payments	738,124	8/29/2011	Capistrano Unified School District	Tax Sharing Agreement & Tax Sharing Implementation Agreement	12/14/1992 11/16/1998
Mall bond debt service payment	316,005	8/31/2011	Bank of New York	Tax Increment Pledge Agreement	5/1/1999
Owner participation agreement payment	8,392	10/13/2011	GSM Auto Group, LLC	Owner Participation Agreement	4/3/2000
Owner participation agreement payment	8,072	1/19/2012	GSM Auto Group, LLC	Owner Participation Agreement	4/3/2000
Mall bond debt service payment	362,500	1/30/2012	Bank of New York	Tax Increment Pledge Agreement	5/1/1999
	<u>\$ 4,685,208</u>				

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Detail of Transfers from the Former Redevelopment Agency to any Other Public Agency or to Private Parties for the Periods January 1, 2011 through January 31, 2012 and February 1, 2012 through June 30, 2012**

*Prepared by Successor Agency:*

February 1, 2012 through June 30, 2012:

Purpose of Transfer	Transfer Amount	Transfer Date	Transfer to Other Public Agency or Private Parties	Enforceable Obligation	
				Required By	Date
Negotiated pass through payments	\$ 336,088	2/29/2012	County of Orange	Tax Sharing Agreement	9/9/1992
Negotiated pass through payments	7,390	2/29/2012	Orange County Dept. of Education	Tax Sharing Agreement	10/26/1992
Negotiated pass through payments	371,642	2/29/2012	Orange County Fire Authority	Tax Sharing Agreement	9/9/1992
Negotiated pass through payments	183,883	2/29/2012	Saddleback Valley Unified School District	Tax Sharing Agreement	10/26/1992
Negotiated pass through payments	40,100	2/29/2012	So. Orange County Communiity College District	Tax Sharing Agreement	10/26/1992
Negotiated pass through payments	663,444	2/29/2012	Capistrano Unified School District	Tax Sharing Agreement & Tax Sharing Implementation Agreement	12/14/1992 11/16/1998
Owner participation agreement payment	3,522	5/3/2012	GSM Auto Group, LLC	Owner Participation Agreement	4/3/2000
	<u>\$ 1,606,069</u>				

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Summary of Financial Transactions of the Redevelopment Agency and the Successor Agency**

*Prepared by Successor Agency:*

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
<b>Assets (modified accrual basis)</b>				
Cash and investments	\$ 9,845,697	\$ 4,124,340	\$ 5,321,413	\$ 2,386,524
Receivables:				
Taxes	43,637	125,882	-	-
Interest	12,120	29,433	76,048	331
Loans	549,804	599,804	585,387	-
Due from developers	4,699,370	4,696,914	4,716,400	-
<b>Total Assets</b>	<b>\$ 15,150,628</b>	<b>\$ 9,576,373</b>	<b>\$ 10,699,248</b>	<b>\$ 2,386,855</b>
<b>Liabilities (modified accrual basis)</b>				
Accounts payable	\$ 90,444	\$ 235,028	\$ 114,925	\$ 1,226,292
Pass through payable	2,042,288	1,659,357	-	-
Due to the City of Mission Viejo	74,388	70,759	2,642	21,885
Due to the MV Housing Authority	-	-	-	1,420,642
Due to the CDFA	417,199	316,005	-	-
Deferred revenue	2,251,995	2,260,867	2,360,927	-
<b>Total Liabilities</b>	<b>\$ 4,876,314</b>	<b>\$ 4,542,016</b>	<b>\$ 2,478,494</b>	<b>\$ 2,668,819</b>
<b>Equity</b>	<b>10,274,314</b>	<b>5,034,357</b>	<b>8,220,754</b>	<b>(281,964)</b>
<b>Total Liabilities + Equity</b>	<b>\$ 15,150,628</b>	<b>\$ 9,576,373</b>	<b>\$ 10,699,248</b>	<b>\$ 2,386,855</b>
<b>Total Revenues:</b>	<b>\$ 7,949,699</b>	<b>\$ 7,236,584</b>	<b>\$ 4,122,257</b>	<b>\$ 826,533</b>
<b>Total Expenditures:</b>	<b>\$ 10,431,591</b>	<b>\$ 12,478,320</b>	<b>\$ 573,360</b>	<b>\$ 2,957,881</b>
<b>Total Transfers:</b>	<b>\$ 533,202</b>	<b>\$ 1,779</b>	<b>\$ (362,500)</b>	<b>\$ 1,849,384</b>
<b>Net change in equity</b>	<b>\$ (1,948,690)</b>	<b>\$ (5,239,957)</b>	<b>\$ 3,186,397</b>	<b>\$ (281,964)</b>
<b>Beginning Equity:</b>	<b>\$ 12,223,004</b>	<b>\$ 10,274,314</b>	<b>\$ 5,034,357</b>	<b>\$ -</b>
<b>Ending Equity:</b>	<b>\$ 10,274,314</b>	<b>\$ 5,034,357</b>	<b>\$ 8,220,754</b>	<b>\$ (281,964)</b>
<b>Other Information (show year end balances for all three years presented):</b>				
<b>Capital assets as of end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Long-term debt as of end of year</b>	<b>\$ 2,017,101</b>	<b>\$ 605,000</b>	<b>\$ 605,000</b>	<b>\$ 1,420,642</b>

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Listing of All Assets of the Successor Agency as of June 30, 2012**

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*Prepared by Successor Agency:*

General Ledger Account	Asset Description	Fund 291 RDA Obligation Retirement Fund
1000	Cash and Investements	\$ 2,386,524
1190	Interest Receivable	331
		<u>\$ 2,386,855</u>

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Schedule of Asset Balances that are Dedicated or Restricted for the Funding of Enforceable Obligations as of June 30, 2012**

*Prepared by Successor Agency:*

Description	Payee	Nature of Dedication or Restriction and Approved ROPS I Enforceable Obligation	Date Payment Made	Amount Dedicated or Restricted
Accounts Payable	Chandler Asset Management	Investment Portfolio Reporting	8/14/2012	\$ 112
Accounts Payable	GSM Auto Group LLC	Owner Participation Agreement	8/14/2012	3,564
Accounts Payable	Stradling Yocca Carlson Rauth	Administration	8/14/2012; 9/20/2012	5,445
Accounts Payable	Sherry Merrifield	Administration	8/14/2012	8
Accounts Payable	Federal Express	Administration	8/14/2012	11
Accounts Payable	City of Laguna Niguel	Crown Valley Widening Project	7/23/2012	1,216,995
Accounts Payable	RBF Consulting	Camino Capistrano Bridge Improvement Project	9/20/2012	2,810
Accounts Payable	Rogers, Anderson, Malody, & Scott, LLP	Independent Auditor Services	8/14/2012	892
Accounts Payable	City of Mission Viejo	Administration	8/13/2012; 9/20/2012	18,340
Total Dedicated or Restricted				<u>\$ 1,248,177</u>

**Successor Agency to the City of Mission Viejo Community Development Agency**

**Schedule of Cash Balances as of June 30, 2012 that Needed to be Retained to Satisfy Obligations on the ROPS for the Period July 1, 2012 through December 31, 2012**

*Prepared by Successor Agency:*

ROPS Period	Basis for Retaining Cash Balances to Satisfy Approved ROPS Items ROPS II Project Name	Existing Cash Needed to Satisfy Obligation
July 1, 2012 - December 31, 2012	1999 Variable Rate Demand Revenue Bonds	\$ 378,500
July 1, 2012 - December 31, 2012	Owner Participation Agreement (Infinite of Mission Viejo)	32,000
July 1, 2012 - December 31, 2012	Crown Valley Widening Project	563,178
July 1, 2012 - December 31, 2012	Administration	<u>165,000</u>
	Total cash balances retained	<u><u>\$ 1,138,678</u></u>



**Successor Agency to the City of Mission Viejo Community Development Agency**

**Summary of Balances Available for Allocation to Affected Taxing Entities Held by the Successor Agency as of June 30, 2012**

*Prepared by Successor Agency:*

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$ 2,386,855
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	-
Less assets that are not cash or cash equivalents (e.g., physical assets) (procedure 7)	-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) (procedure 8)	(1,248,177)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	(1,138,678)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	<u>-</u>
Amount to be remitted to county for disbursement to taxing entities	<u><u>\$ -</u></u>

