



Item: 2.A.

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY
OF THE CITY OF ROSEVILLE

DATE: October 31, 2012
TO: Oversight Board
TITLE: PUBLIC COMMENT SESSION
Due Diligence Review – Review of Unencumbered Fund Balance of the Former Redevelopment Agency Low/Moderate Income Housing Fund
CONTACT: Jan Shonkwiler, Housing Manager, jshonkwiler@roseville.ca.us
(916)774-5273

Meeting Date: 11/7/2012

SUMMARY RECOMMENDATION

Staff recommends the Oversight Board open the Public Comment Session, in accordance with Health and Safety Code Section 34179.6(b), to receive comment related to the Due Diligence Review of the unencumbered fund balance of the Low/Moderate Income Housing Fund.

Oversight Board Activity:

The above Public Comment Session was convened by the Oversight Board this 7th day of November, 2012.

PRESENT BOARD MEMBERS:

ABSENT BOARD MEMBERS:

John Allard, Chair

ATTEST:

Brandy LeBeau, Secretary

BACKGROUND

Health and Safety Code Section 34179.5 (a) requires a Due Diligence Review to determine the unobligated balances of the Low/Moderate Income Housing Fund as well as other funds of the former Redevelopment Agency. Per **34179.5. (a)**:

In furtherance of subdivision (d) of Section 34177, each successor agency shall employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities. As an alternative, an audit provided by the county auditor-controller that provides the information required by this section may be used to comply with this section with the concurrence of the oversight board.

Placer County Auditor-Controller was able to secure the accounting services of Macias, Gini, and O'Connell (MGO) to undertake this Due Diligence Review for the City of Roseville on behalf of the Successor Agency.

Per Section 34179.6(a), the due date for the Due Diligence Review relative to the Low/Moderate Income Housing Fund was October 1, 2012. No accounting firm would bid on doing the work, until "Agreed Upon Procedures" were established and approved by the Department of Finance (DOF) on August 27, 2012. Due to the compressed timeframe to undertake this review and unrealistic expectation of having it complete by October 1st, the Department of Finance (DOF), identified on their website, that Successor Agencies needed to notify them via email of the expected date of submission. We notified DOF in September, that the Successor Agency would not be able to submit the DDR for the Low/Moderate Income Housing Fund until the 3rd week in October, at the earliest.

MGO (through a contract with Placer County) began working on the first Due Diligence Review (DDR) of the Low & Moderate Income Housing Fund on September 19, 2012. They completed the draft of the DDR on November 1, 2012, which is attached for consideration and public comment during this Public Comment Session.

Exhibit E of the Due Diligence Review (page 17 of the attached) identifies that the Successor Agency has \$1,701,084 of unobligated assets in the form of cash to be remitted to Placer County Auditor-Controller for redistribution to the affected taxing entities. However, the Auditor-Controller, as well as Department of Finance may make comment relative to the results of the DDR, based on the information presented or other analysis they may have done relative to our enforceable obligations. As required by legislation, the DDR was also submitted to the DOF, the State Controller's Office, the Placer County Administrator, and the Placer County Auditor-Controller, concurrently with the Oversight Board.

No Oversight Board approval is required at this time. The official approval of the DDR by the Oversight Board for the Low/Moderate Income Housing Fund is scheduled for November 15th, occurring 5 business days after the DDR is out for public comment.

Below are the timeframes and next steps regarding the DDR and the remittance of the unobligated cash to Placer County Auditor-Controller:

Actual Date or Estimate <i>Date (by statute)</i>	Activity/Action	Reference <i>(Health & Safety Code)</i>
11/7/2012 (10/1/2012)	Oversight Board must hold a public comment session (no approval of items) at least 5 business days in advance of the meeting to consider approval of the Review of the Low/Moderate Income Housing Fund Balance (Low/Mod)	34179.6(b)
11/1/2012 (10/1/2012)	Provide to Oversight Board, DOF, County Auditor-Controller, and State Controller's Office results of review of the cash for distribution to taxing entities from the Low/Mod Fund	34179.5(a)
11/1/2012	Notice Oversight Board Meeting (10 days ahead) for the 11/15/2012 Meeting	
11/15/2012	Oversight Board *Special* Meeting to review and approve determination of amount to remit to the County Auditor-Controller from the Low/Moderate Income Housing Fund	
11/15/2012 (10/15/2012)	Oversight Board shall review, approve and transmit to DOF, County Auditor-Controller the determination of the amount of available to disburse from the Low/Mod Fund	34179.6(c)
Unknown (11/9/2012)	DOF shall complete its review of the determinations for the Low/Mod and shall notify Successor Agency and Oversight Board	34179.6(d)
Unknown (11/16/2012)	<u>Within 5 business days of transmission</u> , but not later than 11/16/2012 - Successor Agency may request a "Meet & Confer" with the DOF regarding Low/Mod determination. DOF shall either confirm or modify determination and decisions within 30 days of request.	34179.6
11/26/2012 (estimate)	<u>Within 5 working days of receipt of notification from DOF</u> , Successor Agency shall transmit amount of funds required (fund balance of Low/Mod)	34179.6(f)
11/30/12 (estimate)	Within 5 working days of receiving the funds, the County Auditor Controller will disburse the funds to the taxing entities	34179.6(f)
Unknown (12/1/2012)	County Auditor-Controller shall provide DOF specifying the amount received by each Successor Agency from the Low/Mod Fund	34179.6(g)

FISCAL IMPACT

MGO submitted their proposal to undertake the entire Due Diligence Review for all former Redevelopment Agency funds in an amount not to exceed \$23,900. MGO will remit their invoices directly to the Placer County Auditor-Controller, who will then pay for their services out of the Redevelopment Property Tax Trust Fund (RPTTF).

Respectfully Submitted,



Jan Shonkwiler, Housing Manager

APPROVED:



John Sprague, Assistant City Manager
Successor Agency/City of Roseville

Attachments: Health and Safety Code Section 34179.5 (c) (1-6)
Health and Safety Code Section 34179.6
Due Diligence Review – Successor Agency (Low/Moderate Income Housing Fund)

Health and Safety Code Section 34179.5 (c) (1-6)

(1) "Cash" and "cash equivalents" includes, but is not limited to, cash in hand, bank deposits, Local Agency Investment Fund deposits, deposits in the city or county treasury or any other pool, marketable securities, commercial paper, United States Treasury bills, banker's acceptances, payables on demand and amounts due from other parties as defined in subdivision (c), and any other money owned by the successor agency.

(2) "Enforceable obligation" includes any of the items listed in subdivision (d) of Section 34171, contracts detailing specific work to be performed that were entered into by the former redevelopment agency prior to June 28, 2011, with a third party that is other than the city, county, or city and county that created the former redevelopment agency, and indebtedness obligations as defined in subdivision (e) of Section 34171.

(3) "Transferred" means the transmission of money to another party that is not in payment for goods or services or an investment or where the payment is de minimus. Transfer also means where the payments are ultimately merely a restriction on the use of the money.

(c) At a minimum, the review required by this section shall include the following:

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

(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.

(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.

(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.

(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.

(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.

(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.

(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.

(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.

(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.

Health and Safety Code Section 34179.6

34179.6. The review required pursuant to Section **34179.5** shall be submitted to the oversight board for review. The successor agency shall submit a copy of the Recognized Obligation Payment Schedule to the county administrative officer, the county auditor-controller, and the Department of Finance at the same time that the successor agency submits the review to the oversight board for review.

(a) By October 1, 2012, each successor agency shall provide to the oversight board, the county auditor-controller, the Controller, and the Department of Finance the results of the review conducted pursuant to Section **34179.5** for the Low and Moderate Income Housing Fund and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities. By December 15, 2012, each successor agency shall provide to the oversight board, the county auditor-controller, the Controller, and the department the results of the review conducted pursuant to Section **34179.5** for all of the other fund and account balances and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities. The department may request any supporting documentation and review results to assist in its review under subdivision (d). The department may specify the form and manner information about the review shall be provided to it.

(b) Upon receipt of the review, the oversight board shall convene a public comment session to take place at least five business days before the oversight board holds the approval vote specified in subdivision (c). The oversight board also shall consider any opinions offered by the county auditor-controller on the review results submitted by the successor agencies.

(c) By October 15, 2012, for the Low and Moderate Income Housing Fund and by January 15, 2013, for all other funds and accounts, the oversight board shall review, approve, and transmit to the department and the county auditor-controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section **34179.5**. The oversight board may adjust any amount provided in the review to reflect additional information and analysis. The review and approval shall occur in public sessions. The oversight board may request from the successor agency any materials it deems necessary to assist in its review and approval of the determination. The oversight board shall be empowered to authorize a successor agency to retain assets or funds identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision (c) of Section **34179.5**. An oversight board that makes that authorization also shall identify to the department the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. The determination and authorization to retain funds and assets shall be subject to the review and approval of the department pursuant to subdivision (d).

(d) The department may adjust any amount associated with the determination of the resulting amount described in paragraph (6) of subdivision (c) of Section **34179.5** based on its analysis and information provided by the successor agency and others. The department shall consider any findings or opinions of the county auditor-controllers and the Controller. The department shall complete its review of the determinations provided pursuant to subdivision (c) no later than November 9, 2012, for the Low and Moderate Income Housing Fund and also shall notify the oversight board and the successor agency of its decision to overturn any decision of the oversight board to authorize a successor agency to retain assets or funds made pursuant to subdivision (c). The department shall complete its review of the determinations provided pursuant to subdivision (c) no later than April 1, 2013, for the other funds and accounts and also shall notify the oversight board and the successor agency of its decision to overturn any oversight board authorizations made pursuant to subdivision (c). The department shall provide the oversight board and the successor agency an explanation of its basis for overturning or modifying any findings, determinations, or authorizations of the oversight board made pursuant to subdivision (c).

(e) The successor agency and the entity or entities that created the former redevelopment agency may request to meet and confer with the department to resolve any disputes regarding the amounts or sources of funds identified as determined by the department. The request shall be made within five business days of the transmission, and no later than November 16, 2012, for the determination regarding the Low and Moderate Income Housing Fund, to the successor agency or the designated local authority of the department's determination, decisions, and explanations and shall be accompanied by an

explanation and documentation of the basis of the dispute. The department shall meet and confer with the requesting party and modify its determinations and decisions accordingly. The department shall either confirm or modify its determinations and decisions within 30 days of the request to meet and confer.

(f) Each successor agency shall transmit to the county auditor-controller the amount of funds required pursuant to the determination of the department within five working days of receipt of the notification under subdivision (c) or (e) if a meet and confer request is made. Successor agencies shall make diligent efforts to recover any money determined to have been transferred without an enforceable obligation as described in paragraphs (2) and (3) of subdivision (c) of Section **34179.5**. The department shall notify the county auditor-controllers of its actions and the county auditor-controllers shall disburse the funds received from successor agencies to taxing entities pursuant to Section 34188 within five working days of receipt. Amounts received after November 28, 2012, and April 10, 2013, may be held and disbursed with the regular payments to taxing entities pursuant to Section 34183.

(g) By December 1, 2012, the county auditor-controller shall provide the department a report specifying the amount submitted by each successor agency pursuant to subdivision (d) for low- and moderate-income housing funds, and specifically noting those successor agencies that failed to remit the full required amount. By April 20, 2013, the county auditor-controller shall provide the department a report detailing the amount submitted by each successor agency pursuant to subdivision (d) for all other funds and accounts, and specifically noting those successor agencies that failed to remit the full required amount.

(h) If a successor agency fails to remit to the county auditor-controller the sums identified in subdivisions (d) and (f), by the deadlines specified in those subdivisions, the following remedies are available:

(1) (A) If the successor agency cannot promptly recover the funds that have been transferred to another public agency without an enforceable obligation as described in paragraphs (2) and (3) of subdivision (c) of Section **34179.5**, the funds may be recovered through an offset of sales and use tax or property tax allocations to the local agency to which the funds were transferred. To recover such funds, the Department of Finance may order the State Board of Equalization to make an offset pursuant to subdivision (a) of Section **34179.8**. If the Department of Finance does not order a sales tax offset, the county auditor-controller may reduce the property tax allocations to any local agency in the county that fails to repay funds pursuant to subdivision (c) of Section **34179.8**.

(B) The county auditor-controller and the department shall each have the authority to demand the return of funds improperly spent or transferred to a private person or other private entity. If funds are not repaid within 60 days, they may be recovered through any lawful means of collection and are subject to a ten percent penalty plus interest at the rate charged for late personal income tax payments from the date the improper payment was made to the date the money is repaid.

(C) If the city, county, or city and county that created the former redevelopment agency is also performing the duties of the successor agency, the Department of Finance may order an offset to the distribution provided to the sales and use tax revenue to that agency pursuant to subdivision (a) of Section **34179.8**. This offset shall be equal to the amount the successor fails to remit pursuant to subdivision (f). If the Department of Finance does not order a sales tax offset, the county auditor-controller may reduce the property tax allocations of the city, county, or city and county that created the former redevelopment agency pursuant to subdivision (c) of Section **34179.8**.

(D) The department and the county auditor-controller shall coordinate their actions undertaken pursuant to this paragraph.

(2) Alternatively or in addition to the remedies provided in paragraph (1), the department may direct the county auditor-controller to deduct the unpaid amount from future allocations of property tax to the successor agency under Section 34183 until the amount of payment required pursuant to subdivision (d) is accomplished.

(3) If the Department of Finance determines that payment of the full amount required under subdivision (d) is not currently feasible or would jeopardize the ability of the successor agency to pay enforceable obligations in a timely manner, it may agree to an installment payment plan.

(i) (1) If a legal action contesting a withholding effectuated by the State Board of Equalization pursuant to subparagraphs (B), (C), or (B) and (C) of paragraph (2) of subdivision (b) of Section 34183.5 is successful and results in a final judicial determination, the court shall order the state to pay to the

prevailing party a penalty equal to a percentage of the amount of funds found by the court to be improperly withheld, as provided in Section **34179.8**. This percentage shall be equivalent to the number of months the funds have been found by the court to be improperly withheld, not to exceed 10 percent.

(2) If a legal action contesting an offset effectuated by the State Board of Equalization or the county auditor-controller pursuant to subdivision (h) is successful and results in a final judicial determination, the court shall order the state or the county auditor-controller to pay to the prevailing party a penalty equal to 10 percent of the amount of funds found by the court to be improperly offset, as provided in Section **34179.8**.

(j) If a legal challenge to invalidate any provision in subdivision (h) or subparagraph (B) or (C), or subparagraphs (B) and (C) of paragraph (2) of subdivision (b) of Section 34183.5 is successful and results in a final judicial determination, the invalidated provision shall become inoperative and subdivision (i) shall become inoperative with respect to the invalidated provision.

**CITY OF ROSEVILLE,
CALIFORNIA**

**Independent Accountant's Report on Applying
Agreed-Upon Procedures on the
Former Redevelopment Agency
Low and Moderate Income Housing Funds**

**Pursuant to AB 1484
as Prescribed in
California Health and Safety Code Section 34179.5
Community Redevelopment Dissolution**

City of Roseville, Successor Agency to
the City of Roseville Redevelopment Agency
Roseville, California

**Independent Accountant's Report on
Applying Agreed-Upon Procedures**

We have performed the procedures enumerated in Attachment A, which were applied to the Low and Moderate Income Housing Funds of the former redevelopment agency and agreed to by the City of Roseville, California (City), Successor Agency to the City of Roseville Redevelopment Agency (Successor Agency), the California State Controller's Office, and the California State Department of Finance (collectively referred to as the Specified Parties) solely to assist the Specified Parties in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Funds of the former redevelopment agency, as prescribed in Section 34179.5 of the California Health and Safety Code (Code). The management of the City, as Successor Agency, is responsible for the accounting records. 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 the Specified Parties. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A, either for the purpose for which this report has been requested, or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures, as set forth in Attachment A, related to the assets transferred to the Successor Agency from the Low and Moderate Income Housing Funds of the former redevelopment agency. Attachment A also identifies the findings noted as a result of the procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the balances available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Funds of the former redevelopment agency or as to the appropriateness of the other financial information summarized in Attachment A and Exhibits A to F. 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 Successor Agency, the California State Controller's Office, and the California Department of Finance and is not intended to be, and should not be, used by anyone other than these specified parties.

Macie Mini & O'Connell LLP

Sacramento, California
November 1, 2012

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings
Low and Moderate Income Housing Funds**

Our procedures and results are as follows:

- 1) **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:

Obtain from the Successor Agency a listing of all assets that were transferred from the Low and Moderate Income Housing Funds of the former redevelopment agency to the Successor Agency on or about 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: The amount of assets transferred from the Low and Moderate Income Housing Funds of the former redevelopment agency to the Successor Agency on February 1, 2012 was \$15,639,304.

- 2) **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.*

Procedures:

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

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

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds**

- 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: The State Controller’s Office has not completed its review, and therefore, has not issued its report regarding such review of transfers required under both Sections 34167.5 and 34178.8. In addition, there were no transfers of assets (excluding payments for goods and services) from the Low and Moderate Income Housing Funds of the former redevelopment agency to the City for the period from January 1, 2011 through January 31, 2012; therefore procedure 2A was not applicable. However, please refer to Exhibit A for amounts that represent unspent bond proceeds that are residing in the Successor Agency’s Redevelopment Obligation Retirement Fund (RORF) as of February 1, 2012. These amounts were previously recorded in the City’s former Redevelopment Agency’s Housing Debt Service fund. Although not a transfer, these funds are no longer recorded in a Housing fund with the Successor Agency. The RORF has been established to pay for outstanding obligations associated with redevelopment activities that were transferred to the City as the Successor Agency.

- 3) **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.*

Procedures:

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

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

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds**

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: The State Controller’s Office has not completed its review, and therefore, has not issued its report regarding such review, of transfers required under both Sections 34167.5 and 34178.8. In addition, there were no transfers of assets (excluding payments for goods and services) from the Low and Moderate Income Housing Funds of the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012 or from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012; therefore these procedures were not applicable.

- 4) **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.*

Procedures:

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 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.

Results: As these procedures pertain to the Successor Agency as a whole, they will be performed and reported on in the report that is due on December 15, 2012, as instructed by the California Department of Finance and therefore are not applicable for this report.

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds**

- 5) **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:

Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the AUP report.

Results: Please refer to Exhibit B.

- 6) **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.*

Procedures:

Obtain from the Successor Agency a listing of asset balances transferred from the Low and Moderate Income Housing Fund 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.

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds**

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

- 7) **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.*

Procedures:

- A. Obtain from the Successor Agency a listing of assets transferred from the Low and Moderate Income Housing Fund 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.

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
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Attachment A – Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds**

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

- 8) **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.*

Procedures:

- A. If the Successor Agency believes that asset balances transferred from the Low and Moderate Income Housing Fund 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.

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds**

- iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.
- B. If the Successor Agency believes that future revenues, together with balances transferred from the Low and Moderate Income Housing Fund 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.
- 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.

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
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Attachment A – Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds**

- D. If procedures 8A, B, or C were performed, calculate the amount of current unrestricted balances of assets transferred from the Low and Moderate Income Housing Fund necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii. Include the calculation in the AUP report.

Results: There were no assets identified as needing to be retained to satisfy enforceable obligations; therefore these procedures were not applicable.

- 9) **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:

If the Successor Agency believes that, as of June 30, 2012, cash balances transferred from the Low and Moderate Income Housing Fund 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 transferred from the Low and Moderate Income Housing Fund 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: Please refer to exhibit E.

- 10) **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*

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
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Low and Moderate Income Housing Funds**

(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:

Include a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Fund. 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.

Results: Please refer to Exhibit F.

- 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 assets of the Low and Moderate Income Housing Fund 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: No exceptions were noted as a result of this procedure.

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
EXHIBIT A - SUCCESSOR AGENCY'S LOW AND MODERATE INCOME HOUSING FUND ASSET TRANSFERS
TO HOUSING SUCCESSOR FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012**

<u>Asset Description</u>	<u>Name of the recipient</u>	<u>Date of Transfer</u>	<u>Book value of asset at date of transfer</u>	<u>Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer and the date of such requirement. Also, note whether the asset transfer was reversed and the date of such reversal. *</u>	<u>Finding</u>
Cash/housing bonds	Roseville - RORF	2/1/2012	\$ 5,938,847	AB 1X 26	(1)
Interest earned on cash with fiscal agent	Roseville - RORF	6/30/2012	<u>6,096</u>	AB 1X 26	(2)
Total assets transferred			<u>\$ 5,944,943</u>		

- (1) Pursuant to Health and Safety Code section 34176 (a)(1), the City elected to retain the housing assets and functions previously performed by the redevelopment agency. However, the amount is not recorded in a Housing fund.
- (2) This is not a transfer, but the interest earned is credible to the unspent bond proceeds. For purposes of transfers, the interest earned on the cash with fiscal agent is included on this exhibit as a transfer to the RORF on June 30, 2012.

* Amount was not reversed

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
EXHIBIT B - LOW AND MODERATE INCOME HOUSING FUND
ASSETS HELD BY THE SUCCESSOR AGENCY**

Assets	Total value as of June 30, 2012
Equity in pool	\$ 1,988,518
Unrealized gain/loss-investment	7,034
Interest receivable	7,873
Interest receivable-deferred	310,625
Deferred receivable/loans	5,105,477
Advance to other funds	490,102
Land	861,245
 Total Assets	 \$ 8,770,874

NOTE: Cash with fiscal agent and interest earned on bond proceeds are not included on this exhibit as it was recorded in the Redevelopment Obligation Retirement Fund on 2/1/2012. These amounts are included in Exhibit A and Exhibit C as it relates to RDA housing projects.

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
EXHIBIT C - LOW AND MODERATE INCOME HOUSING FUND RESTRICTED
ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY**

A. Unspent Bond Proceeds

Assets	Total value as of June 30, 2012	Computation of the Restricted Balance	Source of funds	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended for their intended purpose.
Unspent bond proceeds	\$ 5,944,943	Original bond proceeds Interest earned from inception to June 30, 2012 Total project expenses from inception to June 30, 2012 Unspent bond proceeds	\$ 6,354,254 612,956 <u>(1,022,267)</u> <u>\$ 5,944,943</u>	Bond proceeds Accounting records	The Tax Allocation Housing Bonds, Series 2006 H-T Official Statement requires the restriction. The restriction is in effect until all the bond proceeds are expended for their intended purpose.

B. Grant Proceeds and Program Income

Assets	Total value as of June 30, 2012	Computation of the Restricted Balance	Source of funds	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended for their intended purpose.
No grant proceeds and program income were identified.					

C. Other Assets Considered Legally Restricted

Description	Total value as of June 30, 2012	Computation of the Restricted Balance	Source of funds	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended for their intended purpose.
No other assets considered legally restricted were identified.					

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
EXHIBIT D - LOW AND MODERATE INCOME HOUSING FUND ASSETS OTHER THAN
CASH AND CASH EQUIVALENTS TRANSFERRED TO THE SUCCESSOR AGENCY**

Asset	Total value as of June 30, 2012	Basis (i.e. Book Value/Fair Market Value)	Description of the records provided supporting the book value listed (i.e. previously audited financial statements or the accounting records) and any differences noted. If differences pertain to disposal of assets, note whether the proceeds were deposited into the Successor Agency.
Unrealized gain/loss-investment	\$ 7,034	Book Value	Accounting records
Interest receivable	7,873	Book Value	Accounting records
Interest receivable-deferred	310,625	Book Value	Accounting records
Deferred receivable/loans	5,105,477	Book Value	Accounting records
Advance to other funds	490,102	Book Value	Accounting records
Land - 304 Washington Blvd.	861,245	Book Value	Accounting records
Total Assets	<u>\$ 6,782,356</u>		

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
EXHIBIT E - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT
ARE NEEDED TO SATISFY OBLIGATIONS ON THE ROPS FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013**

Project Name/ Debt Obligation	Item #	Contract Execution Date	Contract Termination Date	Payee	Description
Tax Allocation Bonds - 2006HT	ROPS II, Line 17	11/14/2006	9/1/2040	Bank of New York Mellon	Bonds for Housing Projects
Fiscal Agent Fees Debt Service	ROPS II, Line 18 ROPS III, Line 19	11/14/2006	9/1/2040	Bank of New York Mellon	Annual Fiscal Agent Fees for Bonds
Monitoring AFH Agreements	ROPS II, Line 22	6/10/2009	2/10/2064	City of Roseville	Monitoring of Affordable Housing Agreements
Indirect Costs - Low Mod	ROPS III, Line 42	7/1/2012	6/30/2013	City of Roseville	Indirect Costs for Low Mod Function

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
EXHIBIT E - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT
ARE NEEDED TO SATISFY OBLIGATIONS ON THE ROPS FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013
(CONTINUED)**

Project Name/ Debt Obligation	Total Outstanding Debt or Obligation as of June 30, 2012	Total due during the 6-month period ending		Amount of existing cash needed as of June 30, 2012	Explanation for retaining funds for ROPS III obligations
		ROPS II 12/31/2012	ROPS III 06/30/2013		
Tax Allocation Bonds - 2006HT	\$ 6,505,000	\$ 181,732 (1)	\$ -	\$ 181,732	
Fiscal Agent Fees Debt Service	\$ 314,935	870 (1)	2,483	\$ 3,353	Obligation is due before funding will be received in January 2013.
Monitoring AFH Agreements	\$ 69,468	34,734 (1)	-	\$ 34,734	
Indirect Costs - Low Mod	\$ 67,615	-	67,615	\$ 67,615	Obligation is due on July 1, 2012, and the City of Roseville has a Meet & Confer with DOF to include these funds on the ROPS.
				<u>\$ 287,434</u>	

(1) All ROPS II funding was received on June 1, 2012 and is included in the cash balance as of June 30, 2012.
This cash must be retained to satisfy the ROPS II obligations.

**CITY OF ROSEVILLE, SUCCESSOR AGENCY TO
THE CITY OF ROSEVILLE REDEVELOPMENT AGENCY
EXHIBIT F - LOW AND MODERATE INCOME HOUSING FUND ASSETS
TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE AVAILABLE
TO DISTRIBUTE TO AFFECTED TAXING ENTITIES**

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	Exhibit B	\$	8,770,874
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	Exhibit A		5,944,943
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	Exhibit C		(5,944,943)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	Exhibit D		(6,782,356)
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)			-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	Exhibit E		(287,434)
Less the amount of payments made on July 12, 2012 to the County Auditor–Controller as directed by the California Department of Finance			-
			<hr/>
Amount to be remitted to county for disbursement to taxing entities		\$	<u>1,701,084</u>

Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.