

AGENDA

OVERSIGHT BOARD (TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY) SPECIAL MEETING January 11, 2013 10:00 AM

City of Irvine
L-102
One Civic Center Plaza
Irvine, CA 92606

Speaker's Card/Request to Speak: If you would like to address the Board on a scheduled agenda item, please complete the [Request to Speak Form](#). The card is at the table at the entrance to the meeting room. Please identify on the card your name and the item on which you would like to speak and return to the Secretary. The [Request to Speak Form](#) assists the Chair in ensuring that all persons wishing to address the Board are recognized. Your name will be called at the time the matter is heard by the Board. Public testimony is limited to three minutes per speaker (unless extended by the Chair) which includes the presentation of electronic or audio visual information.

CALL TO ORDER

ROLL CALL

BOARDMEMBER:	Christine Compton, Deputy Chief of Staff, Supervisor Bill Campbell's office, County of Orange
BOARDMEMBER:	Veronica Dolleschel, Senior Management Analyst, City of Irvine
BOARDMEMBER:	John Fogarty, Asst. Superintendent of Business Services, CFO, Irvine Unified School District
BOARDMEMBER:	Sharon Landers, Assistant City Manager, City of Irvine
BOARDMEMBER:	Randy Peebles, Associate Vice Chancellor, Economic & Workforce Development, South OC Community College District
VICE CHAIR:	Lucy Dunn, President and CEO, Orange County Business Council
CHAIR:	Marian Bergeson, Chair, Foundation for the Great Park

PLEDGE OF ALLEGIANCE

BOARD MEMBER REPORTS

Reports and Announcements are for the purpose of presenting brief comments or reports, and are subject to California Government Code Section 54954.2 of the Brown Act.

ADDITIONS AND DELETIONS

Additions to the agenda are limited by California Government Code Section 54954.2 of the Brown Act and for those items that arise after the posting of the Agenda and must be acted upon prior to the next Board meeting.

BOARD BUSINESS

1. MINUTES

RECOMMENDED BOARD ACTION:

Adopt – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE MINUTES OF THE OVERSIGHT BOARD MEETING OF JANUARY 2, 2013

2. APPROVAL OF THE DUE DILIGENCE REVIEW OF THE NON-HOUSING REDEVELOPMENT FUNDS

RECOMMENDED BOARD ACTION:

Adopt – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO THE FORMER IRVINE REDEVELOPMENT AGENCY'S NON-HOUSING FUNDS

PUBLIC COMMENTS (Limited to 3 minutes per speaker)

ADJOURNMENT

NOTICE TO THE PUBLIC

STAFF REPORTS

Copies of staff reports or other written documentation that have been prepared or organized with respect to each item of business listed on the agenda are on file with the Board Secretary and are available for public inspection and copying once the agenda is publicly posted, (at least 72 hours prior to a regular Board meeting). Staff reports can also be downloaded from the City of Irvine website at www.cityofirvine.org.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

Any supplemental writings or documents distributed to a majority of the Board regarding any item on this agenda after the posting of the agenda will be available for public review in the Board Secretary's Office, One Civic Center Plaza, Irvine, California, during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting.

If you have any questions regarding any item of business on the agenda for this meeting, or any of the staff reports or other documentation relating to any agenda item, please contact Board Secretary staff at (949)724-6205.

**SUBMITTAL OF INFORMATION BY MEMBERS OF THE PUBLIC FOR
DISSEMINATION OR PRESENTATION AT PUBLIC MEETINGS**

Any member of the public who desires to submit documentation in hard copy form may do so prior to the meeting or at the time he/she addresses the Board. Please provide 15 copies of the information to be submitted and file with the Secretary at the time of arrival to the meeting. This information will be disseminated to the Board at the time testimony is given.

PUBLIC COMMENT

Any member of the public may address the Board on items within the Board's subject matter jurisdiction but which are not listed on this agenda during Public Comment; however, no action may be taken on matters that are not part of the posted agenda. If you would like to address the Board during the Public Comment portion of the Agenda, please complete the Request to Speak Form. The card is at the table at the entrance to the meeting room. Please complete the card with your name and return to the Board Secretary. The Request to Speak Form assists the Chair in ensuring that all persons wishing to address the Board are recognized. Your name will be called at the time Public Comment is taken by the Board.

SERVICES TO FACILITATE ACCESS TO PUBLIC MEETINGS

It is the intention of the Board to comply with the Americans With Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Board will attempt to accommodate you in every reasonable manner. Please contact the Irvine City Clerk's Office at (949)724-6205.

Assisted listening devices are available at the meeting for individuals with hearing impairments. Notification 48 hours prior to the meeting will enable the Board to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35. 104 ADA Title II)

CHALLENGING BOARD DECISIONS

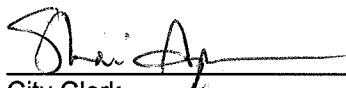
If a person wishes to challenge the nature of the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the Board, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

COMMUNICATION DEVICES

To minimize distractions, please be sure all personal communication devices are turned off or on silent mode.

MEETING SCHEDULE

I hereby certify that the agenda for the Special Board meeting was posted in the posting book located in the Public Safety Lobby of Irvine City Hall, One Civic Center Plaza, Irvine, California on 1-10-2013 by 10:00 a.m. as well as on the City of Irvine's web page.

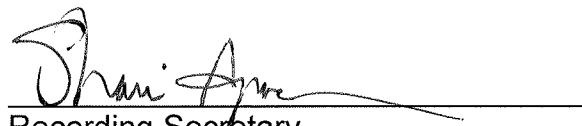


City Clerk

REQUEST FOR OVERSIGHT BOARD ACTION

MEETING DATE: JANUARY 11, 2013

TITLE: MINUTES


Recording Secretary

RECOMMENDED ACTION

Adopt – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE MINUTES OF THE OVERSIGHT BOARD MEETING OF JANUARY 2, 2013

MINUTES
OVERSIGHT BOARD
(TO THE SUCCESSOR AGENCY TO THE
DISSOLVED IRVINE REDEVELOPMENT AGENCY)
SPECIAL MEETING
January 2, 2013

City of Irvine
Conference and Training Center
One Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER

The special meeting of the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency was called to order at 2:08 p.m. on January 2, 2013 in the Conference & Training room, Irvine Civic Center, 1 Civic Center Plaza, Irvine, California. Chair Bergeson presided over the meeting.

ROLL CALL

Present: 5 BOARDMEMBER: Veronica Dolleschel, Senior Management Analyst,
City of Irvine
BOARDMEMBER: Sharon Landers, Assistant City Manager, City of
Irvine
BOARDMEMBER: John Fogarty, Asst. Superintendent of Business
Services, CFO, Irvine Unified School District
VICE CHAIR: Lucy Dunn, President and CEO, Orange County
Business Council
CHAIR: Marian Bergeson, Chair, Foundation for the Great
Park

Absent: 2 BOARDMEMBER: Christine Compton, Deputy Chief of Staff,
Supervisor Bill Campbell's office, County of Orange
BOARDMEMBER: Randy Peebles, Associate Vice Chancellor,
Economic & Workforce Development, South OC
Community College District

PLEDGE OF ALLEGIANCE

Chair Bergeson led the Pledge of Allegiance.

BOARD MEMBER REPORTS

There were none.

ADDITIONS AND DELETIONS

There were none.

BOARD BUSINESS

1. MINUTES

ACTION:

Moved by Boardmember Landers, seconded by Vice Chair Dunn, and unanimously carried by those members present to:

Adopt RESOLUTION No. 2013-01 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE MINUTES OF THE OVERSIGHT BOARD MEETING OF OCTOBER 11, 2012

2. PUBLIC COMMENT SESSION ON THE DUE DILIGENCE REVIEW OF THE NON-HOUSING REDEVELOPMENT FUNDS, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5 AND 34179.6 [ASSEMBLY BILL 1484]

Chair Bergeson asked if any written comments had been received related to this item in which Manager of Fiscal Services Mullally confirmed that none had been received. Board Attorney Slater confirmed that there was no report from legal counsel at this time. There was no further board discussion on the item nor were there any public comments.

ACTION: Moved by Boardmember Fogerty, seconded by Vice Chair Dunn, and unanimously carried by those members present to:

Receive and File the Due Diligence Review for the Non-Housing Redevelopment Funds in anticipation of consideration of resolution of approval at January 11, 2013 Oversight Board meeting.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Moved by Boardmember Fogerty, seconded by Boardmember Landers, and unanimously carried by those members present to adjourn the meeting at 2:11 p.m.

OVERSIGHT BOARD CHAIR

SECRETARY

January 11, 2013

OVERSIGHT BOARD RESOLUTION NO. 2013-02

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE MINUTES OF THE OVERSIGHT BOARD MEETING OF JANUARY 2, 2013

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency met on January 2, 2013; and

WHEREAS, at the Oversight Board's meeting of January 11, 2013, the Oversight Board considered the minutes of the January 2, 2013, Oversight Board meeting and the approval of said minutes;

NOW, THEREFORE, BE IT RESOLVED, by the Oversight Board as follows:

SECTION 1. The minutes of the Oversight Board's January 2, 2013 meeting are approved.

SECTION 2. The Secretary shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board at a special meeting held on the 11th day of January, 2013.

MARIAN BERGESON, CHAIR

ATTEST:

SHARIE APODACA, SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF IRVINE)

I, SHARIE APODACA, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at a special meeting of the Oversight Board, held on the 11th day of January 2013.

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

SHARIE APODACA, SECRETARY

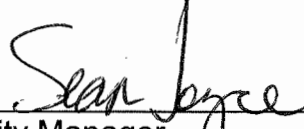
REQUEST FOR OVERSIGHT BOARD ACTION

MEETING DATE: JANUARY 11, 2013

TITLE: APPROVAL OF THE DUE DILIGENCE REVIEW OF THE NON-HOUSING REDEVELOPMENT FUNDS



Director of Administrative Services



City Manager

RECOMMENDED ACTION

Adopt – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO THE FORMER IRVINE REDEVELOPMENT AGENCY'S NON-HOUSING FUNDS

EXECUTIVE SUMMARY

Assembly Bill 1484 (AB 1484) calls for the Oversight Board to review, approve, and transmit to the Department of Finance (Department) and the County Auditor-Controller the determination of cash available for disbursement to taxing entities from the dissolved Irvine Redevelopment Agency's (Agency) non-housing funds, which, in Irvine's case, is zero. This determination is made based on a due diligence review conducted by a licensed accountant. The Oversight Board held a required public comment session on the due diligence review at a special meeting held on January 2, 2013 and received no comments from the public.

The attached Independent Accountant's Report on Applying the Agreed-Upon Procedures on the Successor Agency to the dissolved Irvine Redevelopment Agency (Report) presents the results of this review. The Report found there were no unobligated fund balances in the Non-Housing Redevelopment Funds for remittance to the County Auditor-Controller because all Non-Housing Redevelopment Funds are either legally restricted or needed to satisfy current obligations. The Report was provided to Oversight Board, County Auditor-Controller, the State Controller and the Department on December 15, 2012 in accordance with the provisions of AB 1484.

ANALYSIS

On June 27, 2012, the Governor signed AB 1484 modifying provisions of the Dissolution Act and imposing new requirements on successor agencies. Section 34177(d) of the Health and Safety Code requires successor agencies to remit unobligated balances of redevelopment agency funds, including the unobligated balance of the Housing Fund, to the County Auditor-Controller for distribution to the taxing entities. Section 34179.5 of the Health and Safety Code requires successor agencies to hire a licensed accountant, approved by the County Auditor-Controller and with experience and expertise in local government accounting to conduct two reviews as noted below to determine the

unobligated balances available for transfer to taxing entities. The accounting firm Macias, Gini & O'Connell (firm) was retained by the Successor Agency and approved by the County of Orange to perform the required reviews.

Two reviews are required to be performed; one for the Housing Redevelopment Funds, and one for non-Housing Redevelopment Funds. This report is related to the Non-Housing Redevelopment Funds review. The review has been completed and submitted to the County and State as required. The due diligence review on the Housing Redevelopment Funds was approved by the Oversight Board at its meeting held on October 11, 2012 as required by State law.

Section 34179.5 of the Health and Safety Code identifies the general requirements of the reviews. After its review of the law, the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants developed Agreed-Upon Procedures to satisfy these requirements with input from the State Controller's Office and the Department. The procedures include identifying assets transferred to the Successor Agency, the City, other public agencies or private parties; identifying assets remaining; and calculating the remaining balance available. The firm followed these procedures in determining there are no Non-Housing Redevelopment Funds of the dissolved Agency to be distributed to the taxing entities.

As of June 30, 2012 the Successor Agency had Non-Housing Funds totaling \$3,234,099. The Report found all of the funds are needed to satisfy obligations of the Successor Agency as follows:

Obligations on the Recognized Obligation Payment Schedules for 2012-13	\$2,345,079
County for overpayment of redevelopment property tax trust funds	\$121,977
Incurred before June 30, 2012:	
Affordable Housing Grant Agreement	\$626,200
Legal and audit services	\$73,222
County Implementation Agreement payment	\$40,206
Administration expenses	\$27,415
Total:	\$3,234,099

As required by Section 34179.6 of the Health and Safety Code, on December 15, 2012, staff submitted the review for the Non-Housing Redevelopment Funds to: the Oversight Board, the State Controller, the Department, and the County Auditor-Controller. To assure strict compliance with the code, staff also submitted a copy of the January through June 2013 Recognized Obligation Payment Schedule to the aforementioned parties. By January 15, 2013, the Oversight Board is required to review, approve, and transmit to the Department and the County Auditor-Controller the determination of the amount of cash that is available for disbursement from the Non-Housing Redevelopment Funds. As confirmed in Exhibit I of the Report, there is no cash available for disbursement.

The Oversight Board was required to convene a public comment session on the review and did so on January 2, 2013 and received no comments from the public. Today's Oversight Board meeting is for the purpose of requesting the Oversight Board's approval of the review for transmittal to the required parties. The Department shall complete its review of the determination of cash available by April 1, 2013. The Successor Agency may request to meet and confer with the Department to resolve any disputes regarding the Department's review within five business days of the Department's decision.

ALTERNATIVES CONSIDERED

AB 1484 requires the preparation of a review by a licensed accountant to determine the unobligated balance in the Non-Housing Funds of the dissolved Agency and requires the Oversight Board to act on the review so it can be transmitted to the Department and County Auditor-Controller. To remain in compliance with the law, no other alternatives were considered.

FINANCIAL IMPACT

This action will enable the Successor Agency to retain fund balances to meet its financial obligations.

REPORT PREPARED BY Donna Mullally, Manager of Fiscal Services
Amy Roblyer, Senior Management Analyst

ATTACHMENTS

1. Independent Accountant's Report (Due Diligence Review of Non-Housing Funds)
2. Resolution

**SUCCESSOR AGENCY TO THE
IRVINE REDEVELOPMENT AGENCY**

Independent Accountant's Report on Applying
Agreed-Upon Procedures on the Successor Agency
to the Irvine Redevelopment Agency, Except
its Low and Moderate Income Housing Fund

As Prescribed in Section 34179.5 of
the California Health and Safety Code



Certified Public Accountants.

**SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY,
EXCEPT ITS LOW AND MODERATE INCOME HOUSING FUND**

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Certified Public Accountants.

Newport Beach
4675 MacArthur Court, Suite 600
Newport Beach, CA 92660
949.221.0025

Sacramento

Walnut Creek

Oakland

LA/Century City

San Diego

Seattle

Successor Agency to the
Irvine Redevelopment Agency
Irvine, California

Independent Accountant's Report on Applying Agreed-Upon Procedures

We have performed the procedures in Attachment A, which were agreed to by the Successor Agency to the Irvine Redevelopment Agency (Successor Agency), California State Controller's Office and California Department of Finance (collectively referred to as Specified Parties) solely to assist you in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency, except it's Low and Moderate Income Housing Fund, from the former redevelopment agency, as prescribed in Section 34179.5 of the California Health and Safety Code (Code).

The scope of this engagement was limited to performing the agreed-upon procedures set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

Management of the 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, either for the purpose for which this report has been requested, or for any other purpose.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the assets transferred from the former redevelopment agency to the Successor Agency, excluding its Low and Moderate Income Housing Fund, and the balances available for transfer to the taxing entities. 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, 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.

Macias Tini & O'Connell LLP

Newport Beach, California
December 14, 2012

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SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
Attachment A - Agreed-Upon Procedures and Findings
Successor Agency, Except its Low and Moderate Income Housing Fund

Our procedures and findings are as follows:

1) **Procedure:**

Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency, except its Low and Moderate Income Housing Fund, 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.

Finding: We noted that the former redevelopment agency transferred assets in the amount of \$3,903,943 to the Successor Agency on February 1, 2012. We verified the transfers through a review of the Successor Agency's accounting records.

2) **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 former redevelopment agency (excluding payments for goods and services), excluding the Low and Moderate Income Housing Fund, 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 (excluding payments for goods and services) from the Successor Agency, excluding transfers from the former Low and Moderate Income Housing Fund held by 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
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required the 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.

Findings: We noted that the State Controller's Office has not completed its review of transfers as of the date of this report. As such, we performed procedures 2A through 2C. Please refer to Exhibits A and B for the results of these procedures.

SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
Attachment A - Agreed-Upon Procedures and Findings
Successor Agency, Except its Low and Moderate Income Housing Fund (Continued)

3) **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 (excluding payments for goods and services) from the former redevelopment agency, excluding the Low and Moderate Income Housing Fund, 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 (excluding payments for goods and services) from the Successor Agency, excluding transfers from the Low and Moderate Income Housing Fund held by 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.
- 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.

Findings: We noted that the State Controller's Office has not completed its review of transfers as of the date of this report. Transfers to other public agencies or private parties, as defined in Health and Safety Code 34179.5 (C)(3), are the "...dollar value of any cash and cash equivalents transferred after January 1, 2011 through June 30, 2012..." As such, we performed procedures 3A through 3C. Please refer to Exhibits C and D for the results of these procedures.

4) **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 accounts 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 IRVINE REDEVELOPMENT AGENCY
Attachment A - Agreed-Upon Procedures and Findings
Successor Agency, Except its Low and Moderate Income Housing Fund (Continued)

Findings: No exceptions were noted as a result of these procedures. Please refer to Exhibit E for a summary of the financial transactions of the Redevelopment Agency and the Successor Agency for the periods ending June 30, 2010, June 30, 2011, January 31, 2012, and June 30, 2012. We agreed the financial transactions of the Redevelopment Agency for the period ending June 30, 2010, to the corresponding audited financial statements and State Controller's Report. We agreed the financial transactions of the Redevelopment Agency for the period ending June 30, 2011, to the corresponding audited financial statements. We agreed the financial transactions of the Redevelopment Agency for the period ending January 31, 2012 and for the Successor Agency for the period ending June 30, 2012, to the respective agency's financial records.

5) **Procedures:**

Obtain from the Successor Agency a listing of all assets of all funds of the Successor Agency as of June 30, 2012, excluding assets of its Low and Moderate Income Housing Fund. 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.

Finding: No exceptions were noted as a result of these procedures. Please refer to Exhibit F for a listing of assets held by the Successor Agency, excluding Low and Moderate Income Housing Fund assets, as of June 30, 2012.

6) **Procedures:**

Obtain from the Successor Agency a listing of asset balances transferred from the former redevelopment agency, excluding its 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.

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).

SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
Attachment A - Agreed-Upon Procedures and Findings
Successor Agency, Except its Low and Moderate Income Housing Fund (Continued)

- 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.

Finding: No exceptions were noted as a result of applying these procedures. Please refer to Exhibit G for a listing of restricted assets held by the Successor Agency, excluding its Low and Moderate Income Housing Fund assets, at June 30, 2012.

7) **Procedures:**

- A. Obtain from the Successor Agency a listing of assets transferred from the former redevelopment agency, excluding its Low and Moderate Income Housing Fund, as of June 30, 2012, that are not liquid or otherwise unavailable 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.
- 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.

Finding: There were no assets transferred to the Successor Agency from the former redevelopment agency, excluding its Low and Moderate Income Housing Fund, that were not liquid and, therefore, unavailable for distribution to the taxing entities as of June 30, 2012.

SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
Attachment A - Agreed-Upon Procedures and Findings
Successor Agency, Except its Low and Moderate Income Housing Fund (Continued)

8) **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.
- 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 April 1, 2012 through June 30, 2012, and for the six month period October 1, 2012 through March 31, 2013.
 - 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

SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
Attachment A - Agreed-Upon Procedures and Findings
Successor Agency, Except its Low and Moderate Income Housing Fund (Continued)

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.
- D. If procedures 8A, 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.
 - 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.

Finding: We noted no assets other than cash that were held by the Successor Agency at June 30, 2012. The Successor Agency believes that such cash balances are not dedicated or restricted for the funding of enforceable obligations.

9) **Procedures:**

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.

Finding: The Successor Agency believes that cash balances as of June 30, 2012, in the amount of \$2,345,079 need to be retained to satisfy certain obligations for the periods of July 1, 2012 through December 31, 2012 and January 1, 2013 through June 30, 2013. Please refer to Exhibit H for the results of these procedures.

10) **Procedure:**

Include a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from Successor Agency assets, excluding 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

SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
Attachment A - Agreed-Upon Procedures and Findings
Successor Agency, Except its Low and Moderate Income Housing Fund (Continued)

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.

Finding: Please refer to Exhibit I for the calculation of the Balance Available for Allocation to Affected Taxing Entities. The July 12th payment to the County in the amount of \$120,880 represents 100% of the amount due at that time.

11) **Procedure:**

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.

Finding: No exceptions were noted as a result of this procedure.

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SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
EXHIBIT A - FORMER REDEVELOPMENT AGENCY, EXCEPT ITS LOW AND MODERATE INCOME HOUSING FUND,
ASSET TRANSFERS TO CITY OF IRVINE FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	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.	Finding
1 Cash - Statutory Pass Through Payments	City of Irvine	August 2, 2011	\$ 15,198	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None

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SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
EXHIBIT B - SUCCESSOR AGENCY, EXCEPT ITS LOW AND MODERATE INCOME HOUSING FUND,
ASSET TRANSFERS TO CITY OF IRVINE FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012

Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer and the date of such reversal. Also, note whether the asset transfer was reversed and the date of such reversal.	Finding
1 Cash - Statutory Pass Through Payment	City of Irvine	June 5, 2012	\$ 10,434	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None

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SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
EXHIBIT C - FORMER REDEVELOPMENT AGENCY, EXCEPT ITS LOW AND MODERATE INCOME HOUSING FUND,
ASSET TRANSFERS TO PUBLIC AGENCIES FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

	Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	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.	Finding
1	Cash - County facility payment	County of Orange	July 26, 2011	\$ 413,999	The transfer was made to satisfy the payment due for Implementation Agreement No. 1 signed on March 8, 2005 between the Irvine Redevelopment Agency and the County of Orange. The requirement is due and payable within thirty (30) days after the end of each fiscal year.	None
2	Cash - Supplemental Educational Revenue Augmentation Fund	County of Orange	May 3, 2011	1,098,306	The transfer was made to satisfy the payment due to the Supplemental Educational Revenue Augmentation Fund as required by Health and Safety Code Section 33690.5. The requirement was due prior to May 10, 2011.	None
3	Cash - Statutory Pass Through Payments	Irvine Ranch Water Dist. ID #3	July 26, 2011	6,578	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
4	Cash - Statutory Pass Through Payments	OC Fire Authority - General Fund	July 26, 2011	134,345	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
5	Cash - Statutory Pass Through Payments	OC Water District	July 26, 2011	3,568	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
6	Cash - Statutory Pass Through Payments	OC Transit Authority	July 26, 2011	3,425	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
7	Cash - Statutory Pass Through Payments	Irvine Unified School District	July 26, 2011	540,855	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
8	Cash - Statutory Pass Through Payments	Saddleback Valley USD	July 26, 2011	78,132	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
9	Cash - Statutory Pass Through Payments	South OC Community College	July 26, 2011	140,577	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
10	Cash - Statutory Pass Through Payments	OC Department of Education	July 26, 2011	25,772	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
11	Cash - Statutory Pass Through Payments	County of Orange - General Fund	July 26, 2011	122,771	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
12	Cash - Statutory Pass Through Payments	OC Cemetery Fund	July 26, 2011	594	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
13	Cash - Statutory Pass Through Payments	OC Vector Control District	July 26, 2011	1,336	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None

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SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
EXHIBIT D - SUCCESSOR AGENCY, EXCEPT ITS LOW AND MODERATE INCOME HOUSING FUND,
ASSET TRANSFERS TO PUBLIC AGENCIES FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012

Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	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.	Finding
1 Cash - Development of affordable housing	Irvine Community Land Trust	June 30, 2012	\$ 626,200	The transfer was made to satisfy the payment due for the Redevelopment A Affordable Housing Funds Grant Agreement executed on February 8, 2011. The requirement is due and payable within 30 days of the Agency receiving the funds.	None
2 Cash - County facility payment	County of Orange	June 5, 2012	253,148	The transfer was made to satisfy the payment due for Implementation Agreement No. 1 signed on March 8, 2005 between the Irvine Redevelopment Agency and the County of Orange. The requirement is due and payable within thirty (30) days after the end of each fiscal year.	None
3 Cash - Statutory Pass Through Payments	Irvine Ranch Water Dist. ID #3	June 5, 2012	4,440	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
4 Cash - Statutory Pass Through Payments	OC Fire Authority - General Fund	June 5, 2012	85,506	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
5 Cash - Statutory Pass Through Payments	OC Water District	June 5, 2012	2,656	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
6 Cash - Statutory Pass Through Payments	OC Water District - Water Reserve	June 5, 2012	40	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
7 Cash - Statutory Pass Through Payments	OC Transit Authority	June 5, 2012	2,135	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
8 Cash - Statutory Pass Through Payments	Irvine Unified School District	June 5, 2012	328,157	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
9 Cash - Statutory Pass Through Payments	Saddleback Valley USD	June 5, 2012	46,171	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
10 Cash - Statutory Pass Through Payments	South OC Community College	June 5, 2012	85,051	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
11 Cash - Statutory Pass Through Payments	OC Department of Education	June 5, 2012	15,592	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
12 Cash - Statutory Pass Through Payments	County of Orange - General Fund	June 5, 2012	39,268	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
13 Cash - Statutory Pass Through Payments	OC Public Library	June 5, 2012	12,684	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
14 Cash - Statutory Pass Through Payments	OC Flood Control District	June 5, 2012	15,042	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
15 Cash - Statutory Pass Through Payments	OC Harbors, Beaches and Parks	June 5, 2012	11,628	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
16 Cash - Statutory Pass Through Payments	OC Cemetery Fund	June 5, 2012	378	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
17 Cash - Statutory Pass Through Payments	OC Vector Control District	June 5, 2012	850	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None
18 Cash - Statutory Pass Through Payments	Metro Water District MWDOC 1205999	June 5, 2012	2,442	The transfer was made to satisfy the statutory pass through obligation required by Health and Safety Code 33607.5.	None

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SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY

EXHIBIT E - CONDENSED SUMMARY OF FINANCIAL DATA

	Redevelopment Agency 12 Months Ending 6/30/2010	Redevelopment Agency 12 Months Ending 6/30/2011	Redevelopment Agency 7 Months Ending 1/31/2012	Successor Agency 5 Months Ending 6/30/2012
Assets:				
Cash and investments	\$ 10,417,462	\$ 3,567,234	\$ 3,903,943	\$ 3,234,099
Interest receivable	22,170	7,310	-	-
Taxes receivable	2,870	35	-	-
Other receivables	307,520	-	-	-
Advance to the City of Irvine	1,350,000	1,350,000	1,350,000	-
Deposits with others	-	4,142,713	4,656,709	-
Total assets	<u>\$ 12,100,022</u>	<u>\$ 9,067,292</u>	<u>\$ 9,910,652</u>	<u>\$ 3,234,099</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 53,443	\$ 41,745	\$ 4,860	\$ 879,513
Deferred revenue	307,510	-	-	-
Due to other governments	-	1,487,149	915,623	-
Total liabilities	360,953	1,528,894	920,483	879,513
Equity	<u>11,739,069</u>	<u>7,538,398</u>	<u>8,990,169</u>	<u>2,354,586</u>
Total liabilities and equity	<u>\$ 12,100,022</u>	<u>\$ 9,067,292</u>	<u>\$ 9,910,652</u>	<u>\$ 3,234,099</u>
Total revenues	\$ 8,788,434	\$ 6,891,374	\$ 3,313,749	\$ 4,171,774
Total expenditures/expenses	(27,277,081)	(182,137,815)	(6,727,685)	(4,800,648)
Net transfers in	14,664,633	171,045,770	4,865,707	-
Extraordinary gain	-	-	-	2,983,460
Net change in equity	(3,824,014)	(4,200,671)	1,451,771	2,354,586
Beginning equity	<u>15,563,083</u>	<u>11,739,069</u>	<u>7,538,398</u>	<u>-</u>
Ending equity	<u>\$ 11,739,069</u>	<u>\$ 7,538,398</u>	8,990,169	<u>\$ 2,354,586</u>
Transfer to housing successor			(6,006,709)	
Extraordinary gain on RDA dissolution			(2,983,460)	
Successor agency beginning equity			<u>\$ -</u>	
Other Information (show year end balances for all three years presented)				
Capital Assets as of end of year	\$ 6,752,153	\$ -	n/a	\$ -
Long term debt as of end of year	181,611,936	227,075,921	n/a	173,960,748

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**SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
EXHIBIT F - SUCCESSOR AGENCY ASSETS, EXCLUDING LOW AND MODERATE
INCOME HOUSING FUND ASSETS, HELD AT JUNE 30, 2012**

	Assets	6/30/2012
Cash		<u>\$ 3,234,099</u>

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CITY OF IRVINE REDEVELOPMENT AGENCY
EXHIBIT G - SUCCESSOR AGENCY RESTRICTED ASSETS, EXCLUDING LOW AND MODERATE
INCOME HOUSING FUND RESTRICTED ASSETS, HELD AT JUNE 30, 2012

Assets		6/30/2012	Computation of the Restricted Balance	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 in the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended
A. Unspent Bond Proceeds					
Total Assets		\$ -			
B. Grant Proceeds and Program Income					
Cash		\$ 626,200	Grant amount based on agreement	Affordable Housing Grant Agreement, County property tax ledger	Affordable Housing Grant Agreement
C. Other Assets Considered Legally Restricted					
Cash		\$ 1,097	Overpaid Tax Increment	County of Orange invoice	County of Orange invoice
ROPS I:					Approved by the California Department of Finance on ROPS I, but not paid as of June 30, 2012.
Cash		7,500	Estimated based on contract for original redevelopment audit services	Contract	Auditing services
Cash		40,206	County Share based on agreement	Implementation Agreement No. 1, County property tax ledger	County Implementation Payment
Cash		63,715	Actual cost of services rendered	Paid invoices	Legal Services
Cash		2,007	Actual cost of services rendered	Paid invoices	Legal Services
Cash		27,415	Actual cost of services rendered	Payroll records, paid invoices	Administration
Total Assets		\$ 141,940			
Summary of Restricted Assets Listed in Tables A, B and C					
		\$ 768,140			

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**SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
EXHIBIT H - SUCCESSOR AGENCY ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND ASSETS,
NEEDED TO SATISFY OBLIGATIONS ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE
FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013**

Recognized Obligation Payment Schedule III
January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Estimated Total Outstanding Debt or Obligation	Estimated Total Due During Fiscal Year 2012-13	Estimated Funding Source						Amount Required to be Retained by Successor Agency? at June 30, 2012	Explanation
									IMHIF	Bond Proceeds	Reserve Balance	Admin Allowance	Estimated RPTF	Other		
Form A, 1	Amended Development Agmt	December 27, 2010	12/27/2045	Herringfield III, Inc. LLC	Agreement to build the Orange County Great Park	Orange County Great Park (OCCP)	\$ 1,424,000,717	\$ 17,562,626	\$ -	\$ -	\$ -	\$ -	\$ 17,562,626	\$ -	\$ 1,188,447	See estimate for Amended and Agreement (ARDA) on ROPS III. The City believes the ARDA is an enforceable obligation and has filed a lawsuit.

Recognized Obligation Payment Schedule II
July 1, 2012 through December 31, 2012

Payable from the Redevelopment Property Tax (from RPTTF)																	
Estimated payments by month																	
Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Funding Source	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Period	Jul	Aug	Sept	Oct	Nov	Dec	Total	Amount Required to be Retained by Successor Agency at June 30, 2013	Explanation
Form A, 2	Affordable Housing Grant Agreement	February 8, 2011	RPTTF	Irvine Community Land Trust	Development of affordable housing	OCCP	\$ 731,000,000	\$ 896,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 896,596	\$ 896,596	\$ 896,596	The Affordable Housing Grant Agreement committed the use and moderate housing fund tax increment annually. ROPS II amount of \$96,596 must be paid from existing cash on hand.
Form C, 2	Legal services	March 10, 2009	RPTTF	Rutan & Tucker, LLP	Legal services for administration of former RDA	OCCP	106,000	106,000	15,000	15,000	15,000	20,000	20,000	15,000	100,000	100,000	ROPS II amount of \$100,000 must be paid from existing cash on hand.
Form C, 1	Cooperation agreement	March 27, 2012	RPTTF	City of Irvine	Financial, personnel and other support	OCCP	158,036	158,036	26,381	26,256	26,331	26,381	26,381	26,381	158,161	158,036	ROPS II amount of \$158,036 must be paid from existing cash on hand.
																\$ 2,345,679	

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**SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY
EXHIBIT I - SUCCESSOR AGENCY ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND
ASSETS, 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, excluding assets from the Low and Moderate Income Housing Fund, as of June 30, 2012 (procedure 5)	\$ 3,234,099
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)	(768,140)
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)	-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	(2,345,079)
Less the amount of payments made on July 12, 2012, to the County Auditor-Controller, as directed by the California Department of Finance	<u>(120,880)</u>
Amount to be remitted to county for disbursement to taxing entities	<u><u>\$ -</u></u>

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OVERSIGHT BOARD RESOLUTION NO. 13-__

A RESOLUTION OF THE OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE DISSOLVED IRVINE
REDEVELOPMENT AGENCY APPROVING THE
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES TO THE FORMER IRVINE
REDEVELOPMENT AGENCY'S NON-HOUSING FUNDS

WHEREAS, as a result of the passage of Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature (ABx1 26), the Irvine Redevelopment Agency (Agency) was dissolved on February 1, 2012; and

WHEREAS, pursuant to Assembly Bill 1484 of the 2011-12 Legislative Session (AB 1484), which amended ABx1 26 (ABx1 26 and AB 1484, collectively, the Dissolution Act), the Successor Agency for the Dissolved Irvine Redevelopment Agency (Successor Agency) is a separate public agency now charged with winding down the Agency's affairs, including making payments due for enforceable obligations (as defined in the Dissolution Act), and performing obligations required pursuant to enforceable obligations; and

WHEREAS, in connection with winding down the dissolved Agency, AB 1484 requires each Successor Agency to employ a licensed accountant to conduct a Due Diligence Review (Review) of the former Agency's Non-Housing Funds; and

WHEREAS, pursuant to Health and Safety Code section 34179.6, added by AB 1484, the Successor Agency submitted the Review to the Oversight Board to the Successor Agency (Oversight Board), the California Department of Finance (Department), State Controller's Office, County Administrative Officer, and County Auditor-Controller; and

WHEREAS, the Oversight Board has been duly established and operating pursuant to Health and Safety Code section 34179; and

WHEREAS, pursuant to Health and Safety Code section 34179.6(c), on or before January 15, 2013, the Oversight Board must review, approve, and transmit to the Department and County Auditor-Controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities from the dissolved Agency's Non-Housing Funds; and

WHEREAS, on January 2, 2013, the Oversight Board held a public comment session concerning the review in compliance with Health and Safety Code section 34179.6(b) which requires that a public comment session be held at least five business days prior to the approval of the determination of the amount of cash and cash

equivalents that are available for disbursement to taxing entities from the dissolved Agency's Non-Housing Funds; and

WHEREAS, the Oversight Board has taken into consideration its fiduciary responsibility to the holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues;

NOW, THEREFORE BE IT RESOLVED, by the Oversight Board as follows:

Section 1. That the above recitals are true and correct and incorporated herein.

Section 2. The Oversight Board has reviewed and approves the findings made in the Review.

Section 3. The auditors performing the Review found, as set forth in Exhibit I on page 27 of the Review, that the amount of cash and cash equivalents available for disbursements to the taxing entities is zero (\$0.00). The Oversight Board, therefore, directs staff to transmit to the Department and County Auditor-Controller that the Oversight Board's determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities is zero (\$0.00).

Section 4. The Secretary shall certify to the adoption of this resolution.

PASSED AND ADOPTED by the Oversight Board at a special meeting held on the 11th of January, 2013.

MARIAN BERGESON, CHAIR

ATTEST:

SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF IRVINE)

I, SHARIE APODACA, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at a special meeting of the Oversight Board, held on the 11th day of January 2013.

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

SECRETARY