County of Orange Redevelopment Successor Agency

Independent Accountants' Report on Applying Agreed-Upon Procedures pursuant to AB 1484 (All Other Funds)

June 30, 2012

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Oversight Board of the County of Orange Redevelopment Successor Agency County of Orange, California

We have performed the Agreed-Upon Procedures enumerated in Exhibit A, which were agreed to by the California State Controller's Office, the California Department of Finance, the County Auditor-Controller, and the County of Orange Redevelopment Successor Agency (Successor Agency) to determine the Successor Agency's All Other Funds' unobligated balances that are available for transfer to taxing entities, solely to assist you in ensuring that the Successor Agency is complying with its statutory requirements with respect to *Health and Safety Code* Section 34179.5. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to *Health and Safety Code* Section 34179.5. This Agreed-Upon Procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Exhibits A, B through B-5, and C identify the procedures and findings.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Exhibits A, B through B-5, and C. 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 Oversight Board, the Successor Agency, the California State Controller's Office, the California Department of Finance, and the County Auditor-Controller, and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Laguna Hills, California, December 11, 2012

Our findings and procedures are as follows:

A. All Other Funds of the Successor Agency

For All Other Funds of the Successor Agency, the following procedures were performed:

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

Findings – We obtained from the Successor Agency a listing of all assets (excluding low and moderate income housing fund assets) that were transferred from the former redevelopment agency (RDA) to the Successor Agency on February 1, 2012. We agreed the amounts on this listing to account balances established in the accounting records of the Successor Agency noting the total balance of all assets that were transferred to the Successor Agency on February 1, 2012, was \$96,599,658, and consisted of \$95,756,563 in cash and cash equivalents and \$843,095 of other assets.

- 2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures.
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the County, county, or County 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 (excluding payments for goods and services) from the Successor Agency to the County, county, or County 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 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 – The Successor Agency asserted the State Controller's Office has not completed a review of transfers required under both *Health and Safety Code* (HSC) Sections 34167.5 and 34178.8. A listing of transfers for the period January 1, 2011 through January 31, 2012, and February 1, 2012 through June 30, 2012 is included as Exhibit B of the AUP report. The listing at Exhibit B includes management's description of the purpose of the transfer.

For each transfer listed on Exhibit B, we obtained the legal document that formed the basis for the enforceable obligation that required the transfer, noting no exceptions.

- 3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - 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 – The Successor Agency asserted the State Controller's Office has not completed a review of transfers required under both HSC Sections 34167.5 and 34178.8. A listing of transfers for the period January 1, 2011 through January 31, 2012, and February 1, 2012 through June 30, 2012, is included as Exhibit B of the AUP report. The listing at Exhibit B includes management's description of the purpose of the transfer. For each transfer listed on Exhibit B, we obtained the legal document that formed the basis for the enforceable obligation that required the transfer, noting no exceptions.

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers 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.

Findings – We obtained from the Successor Agency a summary of the financial transactions of the former RDA and the Successor Agency. See Exhibit C.

For each period presented, we footed total assets, liabilities, revenues, expenditures, other financing sources, net change in equity, beginning equity and ending equity, noting no exceptions.

We compared the amounts reported in the schedule for the fiscal year ended June 30, 2010, to the State Controller's Report filed for the former RDA, noting no exceptions.

We compared the fiscal year June 30, 2011, amounts reported in the schedule to the June 30, 2011, audited financial statements, noting no exceptions.

For the 7 months ended January 31, 2012, and the 5 months ended June 30, 2012, we compared amounts reported in the schedule to the former RDA's and Successor Agency's general ledger, for the same periods, noting no exceptions. See Exhibit C.

5. 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 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. 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 appropriate AUP report.

Findings – For All Other Funds of the Successor Agency, we agreed the assets listed to the recorded balances reflected in the Successor Agency's accounting records. We noted the asset balance of All Other Funds as of June 30, 2012, was \$95,005,691 consisting of cash and cash equivalents and other assets. We traced the recorded balances to the accounting records of the Successor Agency, noting no exceptions. See Exhibit B-1 for the listing of assets of All Other Funds as of June 30, 2012.

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

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- 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. 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.

Findings – As of June 30, 2012, the Successor Agency has classified assets totaling \$2,995,603 as restricted unspent bond proceeds identified as restricted for bond debt service reserve. We traced the \$2,995,603 balance to the Successor Agency's accounting records, including the general ledger and trustee statements, noting no exceptions. We obtained a copy of the Indenture of Trust relating to the 2003 Tax Allocation Bonds, noting the bonds were secured by pledged tax increment from the Santa Ana Heights Project Area (SAH). We noted the Indenture of Trust requires that the former RDA covenant and agree to use the proceeds of the sale of the 2003 Tax Allocation Bonds as provided in the Indenture of Trust. The Successor Agency asserted the Indenture of Trust specifies the restrictions are in effect until the related assets are expended for their intended purposes. See listing of restricted assets at Exhibit B-2.

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012, that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Findings – We obtained from the Successor Agency, a listing of assets as of June 30, 2012, that are not liquid. See Exhibit B-3. We traced each asset balance to the general ledger, noting no exceptions. For the Land Held for Resale, we traced the market value to a county prepared valuation report; the Successor Agency's valuation methodology is described at Exhibit B-3. See Exhibit B-3 for the listing of Non Liquid Assets of the Successor Agency as of June 30, 2012.

8. Perform the following procedures:

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

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
 - i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012, and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- 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.
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
 - 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.

Findings – The Successor Agency asserted that asset balances as of June 30, 2012, do not need to be retained to satisfy enforceable obligations of the Successor Agency Trust Fund. As such, the procedures noted above were not performed.

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

Findings – We obtained, from the Successor Agency, a schedule listing dollar amounts of existing cash and cash equivalents needed to satisfy existing enforceable obligations. See Exhibit B-4. We traced the enforceable obligations listed on Exhibit B-4 to the approved Recognized Enforceable Obligation Payment Schedules for the six month period July 1, 2012 through December 31, 2012, noting no exceptions. The Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation is described at Exhibit B-4.

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

Findings – We have included a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. See Exhibit B-5. We noted the schedule includes a deduction totaling \$2,467,215 to recognize amounts already paid to the County Auditor-Controller on July 12, 2012. We traced the amount of the deduction to evidence of payment, noting no exceptions.

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

Findings – The Successor Agency provided a management representation letter. No exceptions were noted.

County of Orange Redevelopment Successor Agency All Other Funds Schedule of Asset Transfers to the City, County, or City and County, and Other Public Agencies or Private Parties

DATE OF TRANSFER	DESCRIPTION OF ASSETS	RECIPIENT	\$ VALUE OF ASSETS TRANSFERRED	\$ VALUE OF ASSETS NOT SUPPORTED	PURPOSE OF TRANSFER	SOURCE DOC BASIS FOR TRANSFER
Period of Jan 1, 2011	through Jan 31, 2012					
12/21/2011	Cash	Saddleback Vineyards 100, LLC	\$ 2,300,622.83	-	Land purchase for County of Orange	Agreement For Purchase and Sale (11/08/2011)
5/10/2011	Cash	County of Orange - County Executive Office	1,811,144.00		Transfer to SERAF Fund	Health and Safety Code Section 33685
2/15/2011	Cash	County of Orange - County Executive Office	1,400,000.00		Bankruptcy Recovery Transfers	Health and Safety Code Section 33685
6/23/2011	Cash	County of Orange - County Executive Office	600,000.00		Bankruptcy Recovery Transfers	Health and Safety Code Section 33685
6/14/2011	Cash	County of Orange - County Executive Office	2,000,000.00		Bankruptcy Recovery Transfers	Health and Safety Code Section 33685
1/26/2012	Cash	County of Orange - County Executive Office	2,000,000.00		Bankruptcy Recovery Transfers	Health and Safety Code Section 33685
8/3/2011	Cash	City of Lake Forest	4,560,217.00		Annexation Agreement	Transfer Agreement (7/06/1999)
9/26/2011	Cash	City of Lake Forest	2,312.92		Annexation Agreement	Transfer Agreement (7/06/1999)
Period of Feb 1, 2012	through June 30, 2012					
2/1/2012	Notes Receivable	County Housing Fund	2,668,834.60	-	Transfer of housing function to Housing Authority as Successor Agency.	Health and Safety Code Section 34176
2/1/2012	Land	County Housing Fund	210,830.00		Transfer of housing function to Housing Authority as Successor Agency.	Health and Safety Code Section 34176
2/1/2012	Structures and Improvements	County Housing Fund	183,984.00		Transfer of housing function to Housing Authority as Successor Agency.	Health and Safety Code Section 34176
2/1/2012	Accumulated Depreciation	County Housing Fund	(125,902.00)		Transfer of housing function to Housing Authority as Successor Agency.	Health and Safety Code Section 34176
6/12/2012	Cash	County of Orange - County Executive Office	2,000,000.00		Bankruptcy Recovery Transfers	Health and Safety Code Section 33685
		TOTAL	\$ 22,079,258.35	\$ -	_ =	

County of Orange Redevelopment Successor Agency All Other Funds - Listing of Assets As of June 30, 2012 - Unaudited

Note: Excludes all assets held by the entity that assumed the housing function of the former RDA

Assets	Fund 16A	Fund 16B	Fund 16C	Combined Total
Cash and investments				
8010 Cash	\$ 7,297,663.00	\$ 34,529,316.00	\$ 48,138,844.00	\$ 89,965,823.00
Interest receivable				
8250 Interest Receivable	16,822.00	61,994.00	133,421.00	212,237.00
Cash/investments w/ Fiscal Agent 8060 Investment by Trustee	2,995,603.00	-	-	2,995,603.00
Other				
8480 Due From Other Gov't Agencies	-	-	210,703.00	210,703.00
8590 Land Held for Resale	-	-	616,477.00	616,477.00
8700 Bond Issuance Costs	735,557.00	269,291.00		1,004,848.00
TOTAL ASSETS AT 6/30/2012:	\$ 11,045,645.00	\$ 34,860,601.00	\$ 49,099,445.00	\$ 95,005,691.00

^{*} Excludes Low and Moderate Income Housing Fund assets totaling \$20,415,754 previously reported on the Low and Moderate Income Housing Fund Due Diligence Review Agreed Upon Procedures.

County of Orange Redevelopment Successor Agency All Other Funds Legally Restricted Amounts Exhibit B-2

ITEM	DESCRIPTION	ACCOUNT	AMOUNT	PURPOSE/DOC SOURCE/LEGAL DOCUMENT	PERIOD OF RESTRICTION
1	Unspent Bond Proceeds a OCDA Tax Allocation Refunding Bonds Santa Ana Heights Series 2003 Debt Service Reserve	8060	\$ 2,995,603.00	Debt Service Reserve Bond Indenture of Trust	Through 9/1/2023
		Total	\$ 2,995,603.00	- -	

County of Orange Redevelopment Successor Agency All Other Funds Non Liquid Assets - All Other Funds

Exhibit B-3

ITEM	DESCRIPTION	GL ACCT NO		AMOUNT	VALUE METHOD (COST OR MARKET)	REFERENCE
A	Land Held for Resale					
	Land Held for Resale					
	2301 Zenith	8590	\$	240,360.83	COST	See Footnote 1
	2331 Zenith	8590		100,046.06	COST	See Footnote 1
	2332 Bristol	8590		143,000.00	MARKET	See Footnote 1
	2061 Mesa Dr.	8590		45,230.00	MARKET	See Footnote 2
	2081 Mesa Dr.	8590		81,570.00	MARKET	See Footnote 2
	20411 SW Birch St.	8590		6,270.00	MARKET	See Footnote 2
		Sub-Total	l	616,476.89	•	
В	Other					
	Bond Issuance Costs	8700		1,004,848.00	COST	
		Total	\$	1,621,324.89		

Footnote 1

The Successor Agency asserted the current land values for the properties at 2301 and 2331 Zenith Avenue and 2332 SW Bristol Street are estimated to be \$20/sq. ft., which is generally consistent with 3rd party appraisal recently obtained for these properties. The Successor Agency asserted the estimate is based on a value of \$60/sq. ft. for property zoned General Commercial Office and then discounted by two-thirds due to the need to assemble these three properties with two others for development purposes. The Successor Agency also asserted the land is reported at the lower of cost or net realizable value.

Footnote 2

The Successor Agency asserted the properties at 2061 and 2081 Mesa Drive and 20411 SW Birch Street are zoned Parks and Recreation. The Successor Agency asserted the current land values for recreational/open space in an urban setting are estimated to be \$200,000/ac. or \$4.60/sq. ft. The Successor Agency also asserted the land is reported at the lower of cost or net realizable value.

County of Orange Redevelopment Successor Agency All Other Funds June 30, 2012 Cash Balances Needed to Satisfy Obligations for the 2012/2013 FINAL ROPS

Exhibit B-4

			APPROVED	EXISTING CASH	
		ROPS LINE	OBLIGATION	NEEDED TO SATISFY	
ITEM	PROJECT NAME	ITEM	AMOUNT	OBLIGATION	SUCCESSOR AGENCY EXPLANATION
Note: List	only those obligations for which current ba	lances are needed to sa	tisfy obligations that will l	be placed on the ROPS for th	e 2012/13 fiscal year
1	Kline Drive Improvements	1 (ROPS 2, Pg 1) \$	1,000.00	\$ 1,000.00	Funds required for project related costs.
2	Utility Undergrounding	2 (ROPS 2, Pg 1)	1,495,559.00	1,495,559.00	Funds required for project related costs.
3	Sewer Improvement Project	3 (ROPS 2, Pg 1)	449,643.00	449,643.00	Funds required for project related costs.
4	Executive Director-Homeless	4 (ROPS 2, Pg 1)	75,000.00	75,000.00	Funds required for project related costs.
5	Agency Administration	5 (ROPS 2, Pg 1)	388,619.00	388,619.00	Agency Administrative Costs
6	Annexation Agreement	6 (ROPS 2, Pg 1)	4,855,993.00	4,855,993.00	Per Agreement (7-06-1999)
7	Annexation Agreement	7 (ROPS 2, Pg 1)	1,869.00	1,869.00	Per Agreement (7-06-1999)
8	Burke, Williams (Special Counsel)	8 (ROPS 2, Pg 1)	60,000.00	60,000.00	Funds required to pay for contract related services.
9	Goldfarb (Special Counsel)	9 (ROPS 2, Pg 1)	60,000.00	60,000.00	Funds required to pay for contract related services.
10	Rosenow Spevecak Group (Consultant)	5 (ROPS 2, Pg 2)	75,000.00	75,000.00	Funds required to pay for contract related services.
11	Afford. Hsg. Clearing Hose (Consultant)	6 (ROPS 2, Pg 2)	75,000.00	75,000.00	Funds required to pay for contract related services.
12	Terra West Advisors (Consultant)	7 (ROPS 2, Pg 2)	50,000.00	50,000.00	Funds required to pay for contract related services.
13	CSH (Consultant)	8 (ROPS 2, Pg 2)	100,000.00	100,000.00	Funds required to pay for contract related services.
14	Nancy Lewis Associates (Consultant)	9 (ROPS 2, Pg 2)	100,000.00	100,000.00	Funds required to pay for contract related services.
	2003 OCDA Tax Allocation Refunding				Funds required to meet bond indebtness Per
15	Bonds	1 (ROPS 2, Pg 3)	2,965,353.00	2,965,353.00	Convenants (9/01/1993)
	2001 OCDA Tax Allocation Refunding				Funds required to meet bond indebtness Per
16	Bonds	2 (ROPS 2, Pg 3)	2,164,197.00	2,164,197.00	Convenants (9/01/2001)
17	Bankruptcy Recovery Contribution	3 (ROPS 2, Pg 3)	4,000,000.00	4,000,000.00	Required per HSC 33670.9
		Total \$	16,917,233.00	\$ 16,917,233.00	

County of Orange Redevelopment Successor Agency All Other Funds

Exhibit B-5

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)	\$ 95,005,691	Reference: Exhibit B-1
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 B
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other		
governments (procedure 6)	(2,995,603)	Exhibit B-2
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(1,621,325)	Exhibit B-3
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)	-	None
Less balances needed to satisfy ROPS for the 2012-2013 fiscal year (procedure 9)	(16,917,233)	Exhibit B-4
Less the amount of payments made on July 12, 2012, to the County Auditor-Controller as directed by the California Department of Finance	(2,467,215)	AB 1484 Demand
Amount to be remitted to county for disbursement to taxing entities	\$ 71,004,315	

County of Orange Redevelopment Successor Agency All Other Funds Summary of the Financial Transactions

	(Modified accrual) Redevelopment Agency 12 Months Ended 6/30/2010				Modified accrual) Redevelopment Agency 12 Months Ended 6/30/2011	Unaudited (Modified accrual) Redevelopment Agency 7 Months Ended 1/31/2012			Unaudited (Full accrual) Successor Agency 5 Months Ended 6/30/2012			-
Assets Cash	\$	122,750,753	(3)	\$	130,187,535	(3)	•	122,554,171	(3)	. •	110,381,577	(3)
Cash Investments With Trustee	Ф	2,995,603	(3)	Ф	2,995,713	(3)	Ф	4,096,807	(3)	Ф	2,995,603	(3)
Property Tax Increment Receivable		970,023			765,342			4,090,007			2,993,003	
Due From Other Agency Funds		4,074,532			9,179,798			4,862,259			-	
Interest Receivable		260,483			191,401			109,948			212,237	
Notes Receivable		18,059,151			17,322,727			19,728,804			-	
Land Held For Resale		573,536			573,536			616,477			616,477	
Deposits With County Airport		141,046			-			-			-	
Due From Other County Funds		-			-			95,401			-	
Due From Other Governmental Agencies		-			-			-			210,703	
Bond Issuance Costs		-			-			-			1,004,848	
Total Assets	\$	149,825,127	_	\$	161,216,052		\$	152,063,867		\$	115,421,445	_
Liabilities			_			•			-			-
Accounts Payable	\$	720,000		\$	12,450		\$	507,372		\$	-	
Due To Other Agency Funds		4,074,532			9,179,798			4,862,259			-	
Due To Other County Funds		685,657			6,353,876			957,950			-	
Due to Other Taxing Entities - LMIHF											20,415,754	
Due To Other Governmental Agencies		6,708,542			6,585,268			281,503			2,477,497	
Development Deposits		25,000			25,000			25,000			-	
Deferred Revenues		236,048			166,362			-			-	
Bond Interest Payable		-			-			-			734,136	
Bond Payable, net	-	-	-		-			-			44,056,212	-
Total Liabilities		12,449,779			22,322,754			6,634,084			67,683,599	
Equity		137,375,348	_		138,893,298			145,429,783			47,737,846	_
Total Liabilities + Equity		149,825,127	-		161,216,052			152,063,867			115,421,445	-
Total Revenues/Additions:		34,197,741	-		33,131,814			19,370,427			4,326,010	_
Total Expenditures/Deductions:		34,416,424	-		31,613,864			10,533,319			26,227,007	-
Transfers:		-	_		-			(2,300,623)			-	-
Extraordinary item - Transfer of former RDA to Successor Agency Trust Fund		-	_		-			-			69,638,843	(4)
Net change in equity		(218,683)			1,517,950			6,536,485			47,737,846	
Beginning Equity/Net Assets:		137,594,031	_		137,375,348			138,893,298				_
Ending Equity/Net Assets:		137,375,348	=	\$	138,893,298		\$	145,429,783	- :	\$	47,737,846	=
Other Information (show year end balances for all	l three v	ears presented):										
Capital assets as of end of year (1)	\$	284,924		\$	274,770		\$	268,912	(4)	\$	-	
Long-term debt as of end of year (2)	\$	49,727,418	•	\$	47,006,463	•	\$	44,100,067	= ` ′:	\$	44,056,212	•
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^{(1) -} Net of accumulated depreciation

 $[\]textbf{(2)} - Net\ of\ unamortized\ premiums/discounts/deferred\ amounts\ on\ refunding\\$

^{(3) -} Includes Low and Moderate Income Housing Funds and All Other Funds of the Successor Agency

^{(4) -} Net of \$31,814,901 of Housing Assets, including capital assets totaling \$268,912, transferred to the Orange County Housing Authority in accordance with HSC 34176.