

AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE
AGOURA HILLS REDEVELOPMENT AGENCY

Civic Center – Council Chambers
30001 Ladyface Court, Agoura Hills, California 91301
Tuesday, October 16, 2012
10:00 A.M.

In compliance with the Americans with Disabilities Act, individuals with a disability who plan to attend or otherwise participate in this meeting and who may require any accommodation should contact the Secretary's Office at least 48 hours before the meeting either in person at City Hall or by telephone at (818) 597-7303

Assisted Listening is available in the Council Chambers. Prior to the meeting, please contact the Secretary to arrange for use of a personal listening device.

Please turn off all cell phones and other electronic devices during the meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

John M. Edelston, Chair
Barbara Kamenir Siegel, Vice Chair
Kathleen Burke-Kelly, Board Member
Maria Funk, Board Member
Karen Kimmel, Board Member
Greg Ramirez, Board Member
Bryce Yokomizo, Board Member

APPROVAL OF AGENDA

PUBLIC HEARING

(To speak on this item, please submit a "Speaker's Card" and limit testimony to 3 minutes.)

1. Conduct a Public Hearing to Receive Public Comment on the Due Diligence Review of the Low and Moderate Income Housing Fund, Pursuant to Health and Safety Code Section 34179, and Consider the Adoption of **Resolution No. OB12-11**; A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY ACKNOWLEDGING THE RECEIPT OF THE REVIEW, OF THE LOW AND MODERATE INCOME HOUSING FUND, CONDUCTED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5

STAFF REFERENCE: SUCCESSOR AGENCY ASSISTANT EXECUTIVE DIRECTOR

BOARD OF DIRECTORS, STAFF COMMENTS

ADJOURNMENT

REPORT TO OVERSIGHT BOARD

DATE: OCTOBER 16, 2012

TO: HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD

FROM: NATHAN HAMBURGER, SUCCESSOR AGENCY ASSISTANT
EXECUTIVE DIRECTOR *WA*
CHRISTY PINUELAS, DIRECTOR OF FINANCE *CP*

SUBJECT: REQUEST TO ADOPT RESOLUTION NO. OB12-11; A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY ACKNOWLEDGING THE RECEIPT OF THE REVIEW, OF THE LOW AND MODERATE INCOME HOUSING FUND, CONDUCTED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179

Pursuant to Health and Safety Code Section 34179.5, the Successor Agency to the Agoura Hills Redevelopment Agency (the "Successor Agency") must employ a licensed accountant, approved by the County Auditor-Controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities related to the former Agoura Hills Redevelopment Agency.

Each review must determine the net balance of the Low and Moderate Income Housing Fund (the "LMIHF") and, specifically, the amount of cash and cash equivalents determined to be available for allocation to taxing entities as of June 30, 2012 (the "Due Diligence Review"). In summary, such amount is determined by determining the total value of assets and cash and cash equivalents in the LMIHF, and subtracting the following ("Restricted Assets"): (1) restricted funds, (2) assets that are not cash or cash equivalents, (3) amounts that are legally or contractually dedicated or restricted for the funding of an enforceable obligation (as defined in the State Health and Safety Code), and (4) amounts that are needed to satisfy obligations that will be put on the Recognized Obligation Payment Schedule ("ROPS") for the current fiscal year. Also, the amount determined to be available for allocation to taxing entities includes the value of assets, cash, and cash equivalents transferred after January 1, 2011 through June 30, 2012 by the former Redevelopment Agency or the Successor Agency to the City, or another public agency or private person if an enforceable obligation to make that transfer did not exist. The Due Diligence Review documents the Restricted Assets and provides the respective amounts, sources and purposes for which the Restricted Assets should be retained. Section 34179.6 empowers the Oversight Board to the Successor Agency to the Agoura Hills Redevelopment Agency (the "Oversight Board") to authorize the Successor Agency to retain any Restricted Assets.

Health and Safety Code Section 34179.6 requires each successor agency to submit the Due Diligence Review to the oversight board for the oversight board's review and approval.

Upon receipt of the Due Diligence Review, the Oversight Board must convene a public comment session to take place at least five business days before the Oversight Board holds the approval vote. The Oversight Board also must consider any opinions offered by the County Auditor-Controller on the review results submitted by the Successor Agency.

The Oversight Board must review, approve, and transmit the Due Diligence Review to the State Department of Finance (the "DOF") and the County Auditor-Controller. The Oversight Board may adjust any amount provided in the review to reflect additional information and analysis. The review and approval must occur in open public sessions. Following the public session meeting, the Oversight Board will consider taking action on the item at a special meeting scheduled for Wednesday, October 31, 2012.

The DOF must complete its review of the Due Diligence Review no later than November 9, 2012, and must notify the Oversight Board and the Successor Agency of its decision to overturn any decision of the Oversight Board to authorize a Successor Agency to retain Restricted Assets. The DOF must provide the Oversight Board and the Successor Agency an explanation of its basis for overturning or modifying any findings, determinations, or authorizations of the Oversight Board. The Successor Agency then has the option to meet and confer with the DOF to discuss any modifications.

By December 1, 2012, the County Auditor-Controller must provide the DOF a report specifying the amount submitted by each successor agency from the LMIHF, and specifically noting any successor agency that failed to remit the full required amount.

Section 34179.5 also requires a similar review of all other funds and accounts held by the Successor Agency to determine unobligated balances available for transfer to taxing entities. The review for all other funds and accounts must be completed by December 15, 2012 and the County Auditor-Controller has an April 20, 2013 deadline to provide the DOF the report specifying the amount submitted by each successor agency from all other funds and accounts, and specifically noting any successor agency that failed to remit the full required amount. Since this review is a separate action and is required later in the calendar year, the Successor Agency staff will bring this information back for consideration at a future meeting.

Upon full payment of the amounts determined in the Due Diligence Review and the subsequent review conducted for all other funds and accounts, payment of the "surplus" tax revenues due on July 12, 2012, and any unpaid or underpaid pass through payments owed for fiscal year 2011-12, the DOF will issue to the Successor Agency, within five business days, a finding of completion of the requirements of Section 34179.6.

The auditing firm of Vavrinek, Trine, and Day, were retained by the Successor Agency to conduct this Due Diligence Review. The required information was provided by the Successor Agency as identified in the findings of the review and the remaining funds to be distributed to the various taxing entities is identified in Exhibit B-4 of the review.

RECOMMENDATION

It is recommended the Oversight Board receive and review the Due Diligence Review for the Low and Moderate Income Housing Fund, pursuant to Health and Safety Code Section 34179.5, convene the public comment session, and adopt Resolution No. OB12-11, acknowledging the receipt of the review of the Low and Moderate Income Housing Fund.

Attachments: (1) Resolution No. OB12-11
(2) Low and Moderate Income Housing Fund Due Diligence Review

**CITY OF AGOURA HILLS
EXHIBIT A**

**AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

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- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- 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 City 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. The Successor Agency also asserted no transfers were made from the former RDA or the Successor Agency to the City for the period from January 1, 2011 through January 31, 2012.

As described in Procedure 1, the City approved Resolution No. 12-1679 to retain the housing assets (assets and functions, rights, powers, duties, and obligations) of the former RDA Low and Moderate Income Housing Fund. The Successor Agency recorded a journal entry with a posting date of June 30, 2012 to transfer the assets from Fund 600 – Successor Agency to Fund 620 – Housing Successor Agency.

A listing of the housing assets transferred is included in Exhibit B of the AUP Report. We noted the assets include rehabilitation loans receivable, SERAF loans receivable and a contract for the option to purchase land.

For each asset listed on Exhibit B, we obtained the legal document that formed the basis for the enforceable obligation supporting the transfer. No exceptions were noted.

We noted the City reported the assets identified on Exhibit B on its Housing Asset Transfer Schedule submitted to the California Department of Finance (DOF) on August 1. The assets were approved by the DOF in accordance with HSC Section 34176 (e)(6).

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.

**CITY OF AGOURA HILLS
EXHIBIT A**

**AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

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- 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 City asserted the State Controller's Office has not completed a review of transfers required under both HSC Sections 34167.5 and 34178.8. The Successor Agency asserted no transfers were made from the former RDA or the Successor Agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012, and the period February 1, 2012 through June 30, 2012, respectively.

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 – Procedure 4 is not applicable to the Low and Moderate Income Housing Fund.

**CITY OF AGOURA HILLS
EXHIBIT A**

**AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

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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 the Successor Agency’s Low and Moderate Income Housing Fund, we agreed the assets listed at Exhibit B-1 to the recorded balances reflected in the Successor Agency’s accounting records. We noted that the funds of the former RDA were consolidated into one fund for the Successor Agency. Management prepared a reconciliation identifying the balances pertaining to the former Low and Moderate Income Housing Fund. It was noted that the balances as of June 30, 2012 totaled \$11,152,917.58. Activity in the Low and Moderate Income Housing Fund for the period of February 1, 2012 to June 30, 2012 was comprised of interest income of \$12,846.25 and expenditures in the amount of \$374,006.78. Expenditures were comprised of Payroll-Housing costs (\$149,403.64) and debt service (\$224,603.14). The Payroll-Housing costs of the Low and Moderate Income Housing Fund assets were based on an allocation of the total costs incurred by the Successor Agency. Management asserted that these costs were funded by the portion of tax increment received prior to January 31, 2012, which was considered an allocation of the Redevelopment Property Tax Trust Fund (RPTTF).

We agreed the balances from Exhibit B-1 to a reconciliation prepared by management which was traced to the trial balance of Fund 600. See Exhibit B-1 for the listing of assets of the Low and Moderate Income Housing Fund 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.

**CITY OF AGOURA HILLS
EXHIBIT A**

**AGREED UPON PROCEDURES
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- 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 Obtain 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 classified assets totaling \$9,126,751.85 as restricted unspent bond proceeds. We traced the balance of \$9,126,751.85 to the Successor Agency's accounting records, including the general ledger and cash with fiscal agent statements. We obtained a copy of the official statement relating to the 2008 Housing Set-Aside Bonds, noting the bonds were secured by a pledge of housing set-aside revenues. The official statement notes that the bond proceeds were to be deposited into the Low and Moderate Income Housing Fund and used for low and moderate income housing projects, the creation of a debt service reserve fund and to fund costs of issuance. It was noted the official statement does not specify a period of time for which the restrictions are in effect, or if the restrictions are in effect until the related assets are expended for their intended purposes. See listing of restricted assets at Exhibit B-2.

**CITY OF AGOURA HILLS
EXHIBIT A**

**AGREED UPON PROCEDURES
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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 – The Successor Agency asserted that the Low and Moderate Income Housing Fund does not have assets that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) as of June 30, 2012. As such, the procedures noted above were not performed.

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.

**CITY OF AGOURA HILLS
EXHIBIT A**

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- 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.
 - 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.

**CITY OF AGOURA HILLS
EXHIBIT A**

**AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

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Findings – We obtained 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. See Exhibit B-3. We compared the enforceable obligations listed at Exhibit B-3 to those that were submitted on the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and subsequently approved by the California Department of Finance, as noted in its letter dated May 26, 2012. We also compared the forecasted annual spending requirements prepared by the Successor Agency to the debt service schedule of the official statement for the 2008 Housing Set-Aside bonds, noting no exceptions. We obtained from the Successor Agency its assumptions for the forecasted annual revenues, noting that the amounts necessary for retention were based on a third-party consultant's cash flow projections utilizing the following:

- A determination of estimated net annual revenue available at each 6 month interval (January 2 and June 1).
- A comparison of the net semi-annual revenue available compared to the costs estimated to be incurred for non-housing bond debt service, housing bond debt service, trustee fees, City loan repayment, other costs and administrative costs resulting in an excess/(deficiency) of funds.
- An allocation of the deficiency of funds between the non-housing and housing funds where housing funds were limited to housing bond debt service.

Based on the cash flow projection, we compared the projected net deficit on the housing set-aside bonds of \$973,457, calculated by the Successor Agency, to Exhibit B-3 without exception.

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 – The Successor Agency asserted that cash balances as of June 30, 2012, do not need to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through June 30, 2013, of the Low and Moderate Income Housing Fund. As such, the procedures noted above were not performed.

**CITY OF AGOURA HILLS
EXHIBIT A**

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**AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

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-4.

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.

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Exhibit B

City of Agoura Hills Redevelopment Successor Agency
 Low and Moderate Income Housing Fund
 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
1/31/2012	None reported					
<i>Period of Feb 1, 2012 through June 30, 2012</i>						
6/30/2012	Contract for land lease option Housing Rehabilitation Loans SERAF loan	City of Agoura Hills	\$ 900,000.00 178,617.90 206,968.00	-	Transferred per HSC 34176(a)(1)	Resolution 12-1679
TOTAL			\$ 1,285,585.90	\$ -		

Exhibit B-1

City of Agoura Hills Redevelopment Successor Agency
 Low and Moderate Income Housing Fund - 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

Cash and investments		
600-1003.01	Successor Agency LAIF	1,989,437.04
	Total	\$ 1,989,437.04
Interest receivable		
600-1005	Interest Receivable	37,493.99
	Total	\$ 37,493.99
Cash/investments w/ Fiscal Agent		
600-1002	Cash w/Fiscal Agent	2,804.02
600-1002.01	Cash w/Fiscal Agent - LAIF	4,831,769.28
600-1002.02	Cash w/Fiscal Agent Investment	4,175,000.00
600-1002.03	Cash w/Fiscal Agent Disc Invest	(3,785.29)
600-1002.04	Cash w/Fiscal Agent Bk of America	83,469.85
600-1011.02	Fair Market Value on Investment	36,728.69
	Total	\$ 9,125,986.55
	TOTAL ASSETS AT 6/30/2012:	\$ 11,152,917.58

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City of Agoura Hills Redevelopment Successor Agency
 Low and Moderate Income Housing Fund
 Legally Restricted Amounts

Exhibit B-2

ITEM	DESCRIPTION	ACCOUNT	AMOUNT	PURPOSE/DOC SOURCE/LEGAL DOCUMENT	PERIOD OF RESTRICTION
A	Unspent bond proceeds				
	Cash w/Fiscal Agent	600-1002	\$ 2,804.02	Amounts are restricted for low and moderate income housing projects as identified in the official statement for the 2008 Housing Set-Aside Tax Allocation Bonds	No period of restriction specified
	Cash w/Fiscal Agent - LAIF	600-1002.01	4,831,769.28		
	Cash w/Fiscal Agent Investment	600-1002.02	4,175,000.00		
	Cash w/Fiscal agent Disc Invest	600-1002.03	(3,785.29)		
	Cash w/Fiscal agent - B OF A	600-1002.04	83,469.85		
	Interest Receivable	600-1105.00	37,493.99		
	Total		<u>\$ 9,126,751.85</u>		

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 Exhibit B-3

City of Agoura Hills Redevelopment Successor Agency
 Low and Moderate Income Housing Fund
 Schedule of Balances for Funding Enforceable Obligations

ITEM	PROJECT NAME/DEBT OBLIGATION	ROPS LINE NO.	OBLIGATION AMOUNT AS APPROVED BY DOF	PROJECTION OF ANNUAL REV AVAIL TO FUND REQ	REVENUE SOURCE	PROJECTION OF ANNUAL SPENDING REQ	AMOUNT NEEDED TO BE RETAINED FROM JUNE 30, 2012 BALANCE
1	2008 Tax Allocation Bonds		\$ 19,165,000.00	\$ 17,572,212.00	RPTTF	\$ 18,545,669.00	\$ 973,457.00
			\$ 19,165,000.00	\$ 17,572,212.00		\$ 18,545,669.00	\$ 973,457.00

Note: Schedule should list only those obligations where future revenues together with balances dedicated/restricted are insufficient to fund future obligation payments

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 Exhibit B-4

**City of Agoura Hills Redevelopment Successor Agency
 Low and Moderate Income Housing Fund
 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)	\$ 11,152,917.58
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)	(9,126,751.85)
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)	(973,457.00)
Less balances needed to satisfy ROPS for the 2012-2013 fiscal year (procedure 9)	-
Less the amount of payments made on July 12, 2012, to the County Auditor-Controller as directed by the California Department of Finance	-
Amount to be remitted to county for disbursement to taxing entities	<u>\$ 1,052,708.73</u>