

**Agenda Item A.1
PRESENTATION
Meeting Date: January 24, 2013**

A.1 Approval of January 17, 2013 Oversight Board Meeting Minutes

**SPECIAL MEETING MINUTES
OF THE
OVERSIGHT BOARD OF THE
GOLETA RDA SUCCESSOR AGENCY**

THURSDAY, JANUARY 17, 2013

3:00 P.M. – 4:00 P.M.
City Hall
130 Cremona Drive, Suite B
Goleta, California

Board Members

Renée Bahl, Chair
Vyto Adomaitis, Vice Chair
Dan Eidelson, Board Member
Brian Fahnestock, Board Member
Ralph Pachter, Board Member
Tina Rivera, Board Member
Chandra Wallar, Board Member

Selected By:

SB County Board of Supervisors (“BOS”)
Mayor, City of Goleta
BOS, Member of the Public Appointee
Chancellor of California Community Colleges
SB County Superintendent of Schools
Mayor, City of Goleta
BOS, acting as Board of Directors of the
SB County Fire Protection District

CALL TO ORDER

The meeting was called to order at 3:00 P.M.

Present: Chair Bahl, Vice Chair Adomaitis, Board Members Eidelson, Fahnestock, Pachter, Rivera, and Wallar.

Absent: None

Staff Present: Jaime Valdez, Economic Development Coordinator; Bianca Sparks, Ross & Casso; Tim W. Giles, City Attorney; Steve Wagner, Public Works Director and Liana Campos, Deputy City Clerk.

PUBLIC FORUM

Speakers:
None

A. ADMINISTRATIVE ACTIONS

A.1 Approval of October 31, 2012 Oversight Board Meeting Minutes (Constantino)

Recommendation: Approve the October 31, 2012 Oversight Board Meeting Minutes.

MOTION: Board Member Wallar/Vice Chair Adomaitis motion to approve the October 31, 2012 Oversight Board Meeting Minutes.

VOTE: Approved the following voice vote: Chair Bahl, Vice Chair Adomaitis, Board Members Pachter, Rivera and Wallar. Noes: None. Absent: Board Members Eidelson and Fahnestock.

Board Member Eidelson arrived at 3:04 P.M.

Board Member Fahnestock arrived at 3:05 P.M.

B. DISCUSSION/ACTION ITEMS

B.1 Public Comment Session to Review Independent Accountant's Report on the Due Diligence Review of the Non-Housing Funds and Accounts of the Goleta RDA Successor Agency (Valdez)

Recommendation: Convene a public comment session to review the Due Diligence Review of the Non-Housing Funds and Accounts of the Goleta RDA Successor Agency

Staff Speaker: Jaime Valdez, Economic Development Coordinator

Public Speaker: Robert W. Geis, Auditor-Controller, (letter on file).

MOTION: Board Member Fahnestock /Vice Chair Adomaitis motion to accept the Due Diligence Review of the Non-Housing Funds and Accounts of the Goleta RDA Successor Agency.

AMENDED

MOTION: Board Member Fahnestock /Vice Chair Adomaitis motion to review the Due Diligence Review of the Non-Housing Funds and Accounts of the Goleta RDA Successor Agency.

VOTE: Approved the following voice vote: Chair Bahl, Vice Chair Adomaitis, Board Members Eidelson, Fahnestock, Pachter, Rivera and Wallar. Noes: None.

B.2 Response from the California Department of Finance Related to Goleta RDA Successor Agency Property Disposition (Valdez)

Recommendation: Receive information on correspondence from the California Department of Finance related to Goleta RDA Successor Agency property disposition.

Staff Speaker: Jaime Valdez, Economic Development Coordinator

Report Received.

C. BOARD MEMBER COMMENTS

The Oversight Board:

- Scheduled the next Oversight Board meeting to occur on Thursday, January 24, 2013 at the City of Goleta Council Chambers at 3:00 P.M.

D. ADJOURNMENT AT 3:20 P.M.

Agenda Item B.1
DISCUSSION/ACTION ITEM
Meeting Date: January 24, 2013

TO: Members of the Oversight Board of the Goleta RDA Successor Agency

FROM: Jaime Valdez, Economic Development Coordinator

SUBJECT: Independent Accountant's Report on the Due Diligence Review of the Non-Housing Funds and Accounts of the Goleta RDA Successor Agency and Determination of the Amount of Cash and Cash Equivalents that are Available for Disbursement to Taxing Entities

RECOMMENDATION:

Adopt Resolution No. 13-__ entitled "A Resolution of the Oversight Board of the Goleta RDA Successor Agency, Approving the Report on the Due Diligence Review of the Non-Housing Funds and Accounts and Determining the Amount of Cash and Cash Equivalents that are Available for Disbursement to the Taxing Entities."

BACKGROUND:

ABx1 26 (the "Dissolution Act,") was enacted in late June 2011 as part of the FY 2011-12 state budget package and was held by the California Supreme Court to be largely constitutional on December 29, 2011. As a result, all California redevelopment agencies were dissolved, effective February 1, 2012.

On January 17, 2012 the City of Goleta took formal action to assume the role of Successor Agency both for housing and non-housing functions needed to wind down the affairs of the dissolved Redevelopment Agency for the City of Goleta.

On June 27, 2012, as part of the FY 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484. The primary purpose of AB 1484 is to make technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing that act. As a budget "trailer bill," AB 1484 took immediate effect upon signature by the Governor.

Health and Safety Code (HSC) Section 34179.5 requires the Successor Agency to hire a licensed accountant, approved by the County Auditor-Controller (CAC), to conduct a Due Diligence Review to determine the unobligated balances available for transfer to taxing entities, and by December 15, 2012, to provide to the Oversight Board ("Board"), CAC, State Controller's Office (SCO), and the Department of Finance (DOF), the results of the Due Diligence Review (DDR) of all of the non-housing funds and accounts (Non-Housing).

The Goleta RDA Successor Agency received the final results of the Non-Housing DDR on January 8, 2013. Subsequently on January 8, 2013, the Goleta RDA Successor Agency staff sent a letter along with the Non-Housing DDR to the DOF, SCO, Santa Barbara CAC, and the Board pursuant to HSC 34179.6(b) (Attachments 1 and 2).

Following receipt of the Report, the Board is required to convene a public comment session, to be held not less than five (5) days prior to the approval vote by the Board. By January 15, 2013, for all of the non-housing funds and accounts, the Board must review, approve, and transmit to the DOF and Santa Barbara CAC the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities. The review and approval must occur in public sessions.

AB 1484 calls out a process for reviewing and approving the Non-Housing DDR requiring five days between the review and subsequent approval. The Board was made aware at its October 31, 2012 meeting that the Successor Agency would not meet the aforementioned deadline called out in the legislation, but was still committed to trying to get the review and approval process completed as soon as possible. As such, the Board met on January 17th to convene a public comment session and again on January 24th of 2013 to approve the Non-Housing DDR of the former Goleta RDA in order to best comply with the requirements set forth in AB 1484.

DISCUSSION:

HSC Section 34179.5 requires the Successor Agency to hire a licensed accountant, approved by the Santa Barbara CAC, to conduct a Due Diligence Review to determine the unobligated balances available for transfer to taxing entities. Rogers, Anderson, Malody & Scott, LLP conducted a review of non-housing funds and accounts to meet the requirements of Section 34179.5, and prepared a Report on that review.

HSC Section 34179.6 empowers the Board to authorize the Successor Agency to retain certain assets or funds, such as restricted funds, including bond or grant funds or cash funds that are required to fund an enforceable obligation, physical assets such as equipment or land; and funds to satisfy obligations that will be placed on the Recognized Obligation Payment Schedule (ROPS) for the current fiscal year. An oversight board that makes that authorization must identify to the DOF the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. The determination and authorization to retain funds and assets is then subject to the review and approval of the DOF.

Non-Housing DDR Findings

Following review of and receipt of public comments on the Report on the Non-Housing DDR, staff recommends that the Oversight Board authorize the Successor Agency to retain the following assets and funds: \$0.00.

Furthermore, pursuant to HSC Section 34179.6(b) a letter from the Santa Barbara CAC was received on January 16, 2013 (Attachment 3) and was intended to formally communicate the Office's opinions regarding the Non-Housing DDR. According to the letter, the Santa Barbara CAC reviewed the draft Non-Housing DDR report provided by the Successor Agency and determined that the amount reported in the DDR report on the Summary of Balances Available for Allocation to the Affected Taxing Entities appeared to be materially correct.

Conclusion

A resolution approving the Report on the Non-Housing DDR and determining the amount of Cash and Cash Equivalents that are available for disbursement to the taxing entities is attached to this staff report (Attachment 4).

FISCAL IMPACTS:

There are no fiscal impacts associated with the Oversight Board's approval of the Report and determination of the amount of cash and cash equivalents that would be available for disbursement to taxing entities.

ALTERNATIVES:

None. HSC 34179.6 (c) states that by January 15, 2013, for the Non-Housing, the Board shall review, approve, and transmit to the department and the Santa Barbara CAC the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5. This is a mandatory, time sensitive duty.

Approved By:

Daniel Singer
Executive Director

ATTACHMENTS:

1. Goleta RDA Successor Agency Letter Regarding Non-Housing Due Diligence Review
2. RAMS Report on Goleta RDA Non-Housing Due Diligence Review
3. Santa Barbara County Auditor-Controller Comment Letter on the Goleta RDA Non-Housing Due Diligence Review, Dated January 16, 2013
4. Oversight Board Resolution Approving the Report on the Non-Housing Due Diligence Review and Determining the Amount of Cash and Cash Equivalents that are Available for Disbursement to the Taxing Entities

ATTACHMENT 1

**Goleta RDA Successor Agency Letter Regarding
Non-Housing Due Diligence Review,
Dated January 8, 2013**



SENT BY ELECTRONIC MAIL: Redevelopment_Administration@dof.ca.gov

January 8, 2013

CITY COUNCIL

Roger S. Aceves
Mayor

Michael T. Bennett
Mayor Pro Tempore

Edward Easton
Councilmember

Jim Farr
Councilmember

Paula Perotte
Councilmember

CITY MANAGER

Daniel Singer

California Department of Finance

Re: Non-Housing DDR Pursuant to HSC 34179.5 and 34179.6

Dear Sir or Madam:

The Goleta RDA Successor Agency received the final results of the Non-Housing DDR on January 8, 2013 and is providing it to the Department of Finance, State Controller's Office, Santa Barbara County Auditor-Controller's Office, and the Oversight Board pursuant to HSC 34179.6(b).

This letter is to inform you that the Oversight Board of the Goleta RDA Successor Agency will be meeting on January 17th and January 24th of 2013 in order to best comply with the requirements set forth as part of the Non-Housing Due Diligence Review of the former Goleta RDA.

If you need further clarification or more information on the matter, please do not hesitate to contact me at your convenience.

Sincerely,

Alvertina Rivera
Finance Director
(805) 961-7527 or trivera@cityofgoleta.org

Enclosure

CC: Dan Singer—City Manager
John Chiang—California State Controller
Robert W. Geis—Santa Barbara County Auditor-Controller
Oversight Board of the Goleta RDA Successor Agency

ATTACHMENT 2

RAMS Report on Goleta RDA Non-Housing Due Diligence Review

PURSUANT TO THE STATE OF CALIFORNIA
HEALTH AND SAFETY CODE SECTION 34179.5

CITY OF GOLETA
AS THE SUCCESSOR AGENCY
TO THE FORMER
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO
ALL OTHER FUNDS EXCEPT THE LOW AND MODERATE
INCOME HOUSING FUND

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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San Bernardino, CA 92408
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Oversight Board of the Successor Agency to the
Redevelopment Agency for the City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Matthew B. Wilson, CPA, MSA, CGMA
Scott W. Manno, CPA
Leena Shanbhag, CPA, MST
Jay H. Zercher, CPA (Retired)
Phillip H. Waller, CPA (Retired)

MANAGERS / STAFF

Nancy O'Rafferty, CPA, MBA
Bradferd A. Welebir, CPA, MBA
Jenny Liu, CPA, MST
Katie L. Millsom, CPA
Papa Matar Thiaw, CPA, MBA
Maya S. Ivanova, CPA, MBA
Danielle E. Odgers, CPA
William C. Clayton, CPA
Peter E. Murray, CPA
Genivive Schwarzkopf, CPA
Megan Hackney, CPA
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA

We have performed the minimum required agreed-upon procedures enumerated in Attachment "A", which were agreed to by the Oversight Board of the Successor Agency to the Redevelopment Agency for the City of Goleta, the California State Controller's Office and the State of California Department of Finance (Agencies) solely to assist in determining unobligated balances available for transfer to taxing entities in "all funds except the Low and Moderate Income Housing Fund (All Other Funds)" complying with statutory requirements pursuant to the California Health and Safety Code section 34179.5. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code section 34182(a)(1).

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.

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

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

This report is intended solely for the information and use of the applicable Agencies, and 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.

MEMBERS

American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

California Society of
Certified Public Accountants

Rogers Anderson Malody & Scott, LLP

January 02, 2013

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

Purpose: To determine the unobligated balances available for transfer to taxing entities of “all funds except the Low and Moderate Income Housing Fund (All Other Funds)” [Health and Safety Code section 34179.5]

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

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

Results:

We obtained from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) 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.

We noted that \$3,950,641 in assets was transferred from the former redevelopment agency to the Successor Agency as of February 1, 2012. We have included below the individual asset balances identified by the Successor Agency.

Assets	RDA	Debt Service Fund	Capital Assets	Total
Claim on Cash	\$ 682,849	\$ 789,088	\$ -	\$ 1,471,937
Cash with Fiscal Agent	1,340,400	-	-	1,340,400
Prepaid Expenditures	20,000	-	-	20,000
Old Town Park	-	-	1,118,304	1,118,304
Total Assets Transferred	\$ 2,043,249	\$ 789,088	\$ 1,118,304	\$ 3,950,641

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

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

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

Results:

See Attachment 2 for listing obtained from the Successor Agency.

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

Results:

According to the Successor Agency, there were no transfers other than for goods and services that were made to any other public agency or to private parties between February 1, 2012 and June 30, 2012.

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

Results:

See Attachment 2 for results of procedure 2.C.

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

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

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.

Results:

See Attachment 3 for listing obtained from the Successor Agency.

- 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.

Results:

According to Successor Agency, there were no transfers, other than for goods and services that were made to any other public agency or to private parties between February 1, 2012 and June 30, 2012.

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

Results:

See Attachment 3 for results of procedure 3.C.

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

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

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.

Results:

We obtained from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency for the fiscal periods requested using the modified accrual basis of accounting. The summary includes the requested long-term liabilities and capital asset information as indicated in the procedure.

See Attachment 4 for the summary of financial transactions of the Redevelopment Agency and the Successor Agency.

- 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.

Results:

We ascertained 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.

Results:

We agreed the stated amounts to the June 30, 2010 State Controller's Report and noted no variances.

- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Results:

We agreed the stated amounts for the year ended June 30, 2011 to the Audited Financial Statements and Trial Balances for the same period and noted no variances.

We agreed the stated amounts for the seven months ended January 31, 2012 to the Redevelopment Agency's accounting records and for the five months ended June 30, 2012 Successor audited financial statement and noted no variances.

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

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

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

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.

Results:

We obtained from the Successor Agency a listing of assets of "All Other Funds" as of June 30, 2012 for the report that is due December 15, 2012. The listing excludes those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012. We agreed the assets so listed to audited financial statement of the Successor Agency.

Below is the listing, obtained from the Successor Agency, of all assets that were held by the Successor Agency as of June 30, 2012.

Assets	Non Housing 6/30/2012	Debt Service 6/30/2012	Successor Agency 6/30/2012
Cash - Pooled	\$ 2,055,952	\$ 190,019	\$ 2,245,971
Cash with Fiscal Agent	1,340,408	-	1,340,408
Accounts Receivable	116,800	-	116,800
Interest Receivable	57	-	57
Prepaid Expenditures	20,000	-	20,000
Land Acquisition	1,118,304	-	1,118,304
Total Assets	\$ 4,651,521	\$ 190,019	\$ 4,841,540

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

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

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

A. Unspent bond proceeds:

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

Results:

No exceptions noted. Per Successor Agency, \$1,340,408 is restricted due to restricted reserve requirement. Bond agreements were provided to us by management and it was determined that a debt service reserve was required.

6A. Listing of unspent bond proceeds, as of June 30, 2012

<u>Account #</u>	<u>Account Name</u>	<u>Description</u>	<u>Amount</u>
605-1082	Cash with Fiscal Agent	Tax Allocation Bond - Reserve Requirement	\$ 1,340,408

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.

Results:

According to Successor Agency, there were no Grant Proceeds or Program Income held by the Successor Agency at June 30, 2012 that were restricted.

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

C. Other assets considered to be legally restricted:

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

Results:

According to Successor Agency, there were no other assets held by the Successor Agency at June 30, 2012 that were restricted.

D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report.

For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Results:

See procedure 6A for schedule of unspent bond proceeds.

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

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

7. Perform the following procedures:

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

Results:

We obtained from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution. The assets, as stated, are based on book value as reflected in the accounting records of the Successor Agency.

See Attachment 7 for listing of assets obtained from 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.

Results:

We traced the listed amounts to the Audited Financial Statement for the Successor Agency for the period ending June 30, 2012 and noted no 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.

Results:

We noted no differences in Procedure 7.B.

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

Results:

Procedure 7.D is not applicable since the assets identified in procedure 7.A are listed at book value (purchase cost).

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

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

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.

Results:

The Successor Agency believes retention of assets under this procedure is not required.

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

- 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.

Results:

The Successor Agency believes retention of current balances under this procedure is not required.

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

Results

The Successor Agency believes that items under this procedure are not applicable.

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

- 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.

Results:

This procedure is not applicable since procedures 8.A, 8.B, nor 8.C were not performed.

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

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

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

Results:

See Attachment 9 for the explanations from the Successor Agency Officials of the cash balances that need to be retained to pay for ROPS 2 items.

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

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

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).

Results:

We have included (prepared by the Successor Agency) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. We agreed amounts included in the calculation to the results of the procedures performed in each section of the report referenced in the calculation. The schedule also includes a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012, as directed by the California Department of Finance.

See below attachment for the complete calculation obtained from Management of the Successor Agency.

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES	
Total amount of assets held by the Successor Agency as of June 30, 2012 (See Procedure 5 for detailed composition)	\$ 4,841,540
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 (See Procedures 2 and 3 for detailed composition)	-
Less: assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (See Procedure 6 for detailed composition)	(1,340,408)
Less: assets that are not cash or cash equivalents (e.g., physical assets) - (See Procedure 7 for detailed composition)	(1,255,161)
Less: balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (See Procedure 8.A for detailed composition)	-
Less: balances needed to satisfy ROPS for the 2012-13 fiscal year (See Procedure 9 for detailed composition)	(882,678)
Less: the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	(1,363,350)
Amount to be remitted to county for disbursement to taxing entities	\$ (57)

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES**

Attachment A

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

Results:

We obtained a representation letter dated January 02, 2013 from the Successor Agency's management acknowledging their responsibility for the data provided to us and the data presented in the report and in all attachments to the report. Included in the representations there is 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 any other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the agreed-upon procedures report and its related exhibits.

REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES
Attachment 2

2 A. Transfers from former Redevelopment Agency to City/County from January 1, 2011 through January 31, 2012

TRANSFER DESCRIPTION	TRANSFER AMOUNT	TRANSFER DATE	CITY/COUNTY	Enforceable Obligation or Other Legal Requirement	Procedure 2.C Results
				Required by	
Cash-Bond Proceeds	\$ 14,082,472	03/08/2011	City of Goleta	Co-Agreement 2009-055	Documents provided consisted of RDA Resolution No. 11-03 entitled "A resolution of the Redevelopment Agency of the City of Goleta, California restating, reaffirming and clarifying intentions and understandings of cooperation agreement between the City of Goleta (City) and the Redevelopment Agency for the City of Goleta (RDA)," and the Cooperation Agreement for Public Improvements, dated June 16, 2009, between the City and the RDA.
Cash Funds - For multiple encumbrances	530,209	06/30/2011	City of Goleta	Co-Agreement 2009-055	Documents provided consisted of the Cooperation Agreement for Public Improvements, dated June 16, 2009, between the City and the RDA.
Cash Funds - Capital Projects	512,262	06/30/2011	City of Goleta	Co-Agreement 2009-055	Documents provided consisted of the Cooperation Agreement for Public Improvements, dated June 16, 2009, between the City and the RDA.
Cash Funds - Debt Service Reserve	876,968	06/30/2011	City of Goleta	Bond Indenture - Section 4.02	Document provided consisted of the Bond Indenture dated March 1, 2011.
Cash Funds - FY 10/11 City Admin	65,855	06/30/2011	City of Goleta	Co-Agreement 2006-080	Document provided consisted of the Cooperation Agreement for Administrative Services, Dated September 5, 2006.
Cash Funds - June to Dec 2012 City Admin	32,928	12/28/2011	City of Goleta	Co-Agreement 2006-080	
Cash Funds - Jan. 2012 City Admin.	5,488	01/31/2012	City of Goleta	Co-Agreement 2006-080	
Cash Funds - Principal on Note Payable	3,500,000	04/01/2011	City of Goleta	Promissory Note	Document provided consisted of the Promissory Note, dated June 1, 2010, between the City and the RDA.
Cash Funds - Interest on Note	10,208	01/31/2011	City of Goleta	Promissory Note	Document provided consisted of a workpaper recalculating the interest paid on the note and the Promissory Note stating the interest rate.
Cash Funds - Interest on Note	10,208	02/28/2011	City of Goleta	Promissory Note	
Cash Funds - Interest on Note	10,208	03/31/2011	City of Goleta	Promissory Note	

Total Transfers \$ 19,636,806

2 B. Transfers from the Successor Agency to City/County from February 1, 2012 through June 30, 2012

TRANSFER DESCRIPTION	TRANSFER AMOUNT	TRANSFER DATE	CITY/COUNTY	Enforceable Obligation or Other Legal Requirement	Procedure 2.C Results
				Required by	
None					

Total Transfers \$ -

REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES
Attachment 3

3 A. Transfers from the former Redevelopment Agency to Other Public Agency/Private Parties from January 1, 2011 through January 31, 2012						
TRANSFER DESCRIPTION	TRANSFER AMOUNT	TRANSFER DATE	OTHER PUBLIC AGENCY OR PRIVATE PARTIES	Enforceable Obligation or Other Legal Requirement		Procedure 3.C Results
				Required by	IF YES, DATE	
Pass Through Payments	\$ 434,246	01/14/2011	County	Statutory Pass Throughs	N/A	Health and Safety Code 33607.5 - Document provided consisted of a pass-through calculation worksheet prepared by the City.
Pass Through Payments	994	01/14/2011	Goleta Sanitary District	Statutory Pass Throughs	N/A	Health and Safety Code 33607.5 - Document provided consisted of a pass-through calculation worksheet prepared by the City.
Pass Through Payments	1,072	01/14/2011	SB Metro Transit District	Statutory Pass Throughs	N/A	Health and Safety Code 33607.5 - Document provided consisted of a pass-through calculation worksheet prepared by the City.
Pass Through Payments	379,403	06/30/2011	County	Statutory Pass Throughs	N/A	Health and Safety Code 33607.5 - Document provided consisted of a pass-through calculation worksheet prepared by the City.
Pass Through Payments	925	06/30/2011	Goleta Sanitary District	Statutory Pass Throughs	N/A	Health and Safety Code 33607.5 - Document provided consisted of a pass-through calculation worksheet prepared by the City.
Pass Through Payments	934	06/30/2011	SB Metro Transit District	Statutory Pass Throughs	N/A	Health and Safety Code 33607.5 - Document provided consisted of a pass-through calculation worksheet prepared by the City.
Pass Through Payments	18,059	06/30/2011	City of Goleta	Statutory Pass Throughs	N/A	Health and Safety Code 33607.5 - Document provided consisted of a pass-through calculation worksheet prepared by the City.
SERAF	167,096	05/06/2011	County	HSC 33690.5	N/A	Document provided consisted of SERAF obligation letter from the Department of Finance dated November 12, 2010.
Total Transfers	\$ 1,002,729					

3 B. Transfers from the Successor Agency to Other Public Agency/Private Parties from February 1, 2012 through June 30, 2012						
TRANSFER DESCRIPTION	TRANSFER AMOUNT	TRANSFER DATE	OTHER PUBLIC AGENCY OR PRIVATE PARTIES	Enforceable Obligation or Other Legal Requirement		Procedure 3.C Results
				Required by	IF YES, DATE	
None						
Sub-total transfers	\$ -					

**REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES
Attachment 4**

	<u>Redevelopment Agency 12 Months Ended 6/30/2010</u>	<u>Redevelopment Agency 12 Months Ended 6/30/2011</u>	<u>Redevelopment Agency 7 Months Ended 1/31/2012</u>	<u>Successor Agency 5 Months Ended 6/30/2012</u>
Assets (modified accrual basis)				
Claim on Cash	\$ 8,777,076	\$ 4,436,031	\$ 2,851,216	\$ 2,438,166
Cash With Fiscal Agent	-	1,340,400	1,340,400	1,340,408
Accounts Receivable	50	43	-	116,800
Interest Receivable	1,317	436	-	152
Prepaid Expenditures	22,370	22,670	20,000	20,000
Total Assets	<u>\$ 8,800,813</u>	<u>\$ 5,799,580</u>	<u>\$ 4,211,616</u>	<u>\$ 3,915,526</u>
Liabilities (modified accrual basis)				
Accounts Payable	\$ 62,935	\$ 723,566	\$ 7	\$ -
Residual payment to County Auditor Controller Payable	-	-	-	1,363,350
Wages Payable	9,243	11,561	14,389	-
Payroll Taxes Payable	2,008	1,885	-	-
Benefits Payable	(208)	1,839	(2,128)	-
Notes and Loans Payable	3,500,000	-	-	-
Total Liabilities	<u>3,573,978</u>	<u>738,851</u>	<u>12,268</u>	<u>1,363,350</u>
Equity	<u>5,226,835</u>	<u>5,060,729</u>	<u>4,199,348</u>	<u>2,552,176</u>
Total Liabilities + Equity	<u>\$ 8,800,813</u>	<u>\$ 5,799,580</u>	<u>\$ 4,211,616</u>	<u>\$ 3,915,526</u>
Total Revenues:	\$ 3,984,829	\$ 19,788,536	\$ 2,162,189	\$ 823,059
Total Expenditures:	3,657,886	4,829,699	3,023,570	2,470,230
Total Transfers:	-	(15,124,943)	-	(1)
Net change in equity	326,943	(166,106)	(861,381)	(1,647,172)
Beginning Equity:	<u>4,899,892</u>	<u>5,226,835</u>	<u>5,060,729</u>	<u>4,199,348</u>
Ending Equity:	<u>\$ 5,226,835</u>	<u>\$ 5,060,729</u>	<u>\$ 4,199,348</u>	<u>\$ 2,552,176</u>
Other Information (show year end balances for all three years presented):				
Capital assets as of end of year	2,747	1,831	1,118,304	1,118,304
Long-term debt as of end of year	6,029,940	15,866,145	15,417,835	15,421,060

REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES
Attachment 7

7. Listing of Assets Not Liquid or Available for Distribution as of June 30, 2012

Assets Not Liquid	Successor Agency 6/30/2012
Accounts Receivable	\$ 116,800
Interest Receivable	57
Prepaid Expenditures	20,000
Land Acquisition	1,118,304
Total Assets Not Liquid	\$ 1,255,161

REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
ALL OTHER FUNDS AGREED-UPON PROCEDURES
Attachment 9

9. Balances Needed to be retained to satisfy future ROPS					
Item number on ROPS 2	Project Name / Debt Obligation	Payee	Amount due from July 1, 2012 to Decemeber 31, 2012	(1) dollar amounts of existing cash that are needed to satisfy that obligation	(2) explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation
1	Sumida Gardens Project	Sumida Gardens, L.P.	\$ 143,609	\$ 143,609	Approved ROPS 2 line item. Funds were received in June 2012 to pay amounts due between 07/12 and 12/12.
3	Debt Service	Bank of New York	\$ 549,050	\$ 549,050	
4	Debt Service	Bank of New York	\$ 190,019	\$ 190,019	Approved ROPS 2 line item.
Total to be retained to pay for ROPS 2 enforceable obligations:				\$ 882,678	

Item number on ROPS 3	Project Name / Debt Obligation	Payee	Amount due from January 1, 2013 to June 30, 2013	(1) dollar amounts of existing cash that are needed to satisfy that obligation	(2) explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation
Total to be retained to pay for ROPS 3 enforceable obligations:				\$ -	

Total to be retained to pay for ROPS 2 & ROPS 3 enforceable obligations:				\$ 882,678	
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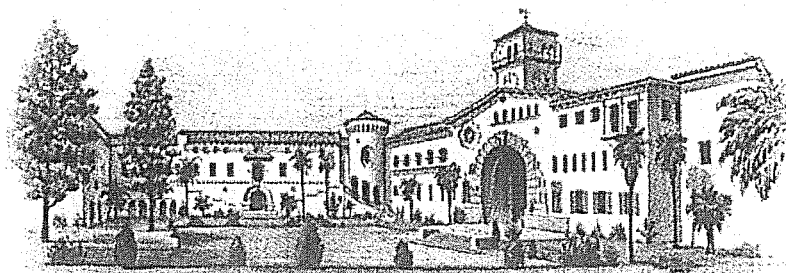
ATTACHMENT 3

**Santa Barbara County Auditor-Controller
Comment Letter on the Goleta RDA Non-Housing
Due Diligence Review, Dated January 16, 2013**

COUNTY OF SANTA BARBARA

ROBERT W. GEIS, C.P.A.
Auditor-Controller

THEO FALLATI, C.P.A.
Assistant Auditor-Controller



County Administration Building
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Auditor@co.santa-barbara.ca.us

Mailing Address:
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Santa Barbara, CA 93102-0039
Fax: (805) 568-2016

OFFICE OF THE AUDITOR-CONTROLLER

January 16, 2013

Ms. Renee Bahl
Chair, City of Goleta Agency Oversight Board
130 Cremona Drive, Suite B
Goleta, CA 93117

**RE: County Auditor-Controller Comments on the Successor Agency to the City of Goleta
Redevelopment Agency, Non-Low Mod Funds Due Diligence Review Report**

Dear Ms. Bahl,

Pursuant to Health and Safety Code Section 34179.6(b) this letter is intended to formally communicate our opinions regarding the due diligence review report.

We reviewed the draft non-low mod funds due diligence review report provided to us by the Successor Agency for the City of Goleta Redevelopment Agency (RDA). In conducting our review we considered the report in the context of other information provided by the Successor Agency.

For the purposes of our review we determined the following information to be relevant in the context of the non-low mod funds due diligence review report.

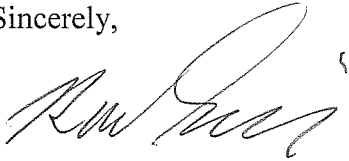
- According to the audited financial statements, the Former Agency had total assets of \$8,800,813 as of June 30, 2010.
- According to the audited financial statements, the Former Agency had total assets of \$4,922,612 as of June 30, 2011. However, a prior period adjustment was made to the financial statements to increase Former Agency cash by \$876,968.
- As of January 31, 2012, according to the due diligence review report, the Former Agency had total assets of \$4,211,616.
- As of June 30, 2012, according to the due diligence review report, the Successor Agency had total assets of \$3,915,526.

Ms. Bahl
Page 2
January 16, 2013

The following is our comment on the due diligence review report:

1. We determined that the amount of \$(57) reported in the due diligence report on the Summary of Balances Available for Allocation to Affected Taxing Entities appears to be materially correct.

Sincerely,

A handwritten signature in black ink, appearing to read "R. W. Geis". The signature is fluid and cursive, with a large loop at the end.

Robert W. Geis, CPA
Auditor-Controller

ATTACHMENT 4

**Oversight Board Resolution Approving the Report
on the Non-Housing Due Diligence Review and
Determining the Amount of Cash and Cash
Equivalents that are Available for Disbursement to
the Taxing Entities**

RESOLUTION NO. 13-__

A RESOLUTION OF THE OVERSIGHT BOARD OF THE GOLETA RDA SUCCESSOR AGENCY, APPROVING THE REPORT ON THE DUE DILIGENCE REVIEW FOR NON-HOUSING FUNDS AND ACCOUNTS AND DETERMINING THE AMOUNT OF CASH AND CASH EQUIVALENTS THAT ARE AVAILABLE FOR DISBURSEMENT TO THE TAXING ENTITIES

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the Goleta RDA Successor Agency ("RDA Successor Agency") is the successor agency to the dissolved Redevelopment Agency for the City of Goleta; and

WHEREAS, the Oversight Board is the RDA Successor Agency's oversight board pursuant to Health and Safety Code Section 34179(a); and

WHEREAS, Health and Safety Code Section 34179.5 requires the RDA Successor Agency to hire a licensed accountant, approved by the County Auditor-Controller, to conduct a Due Diligence Review to determine the unobligated balances available for transfer to taxing entities; and

WHEREAS, Rogers, Anderson, Malody & Scott, LLP conducted a review of the non-housing funds and accounts to meet the requirements of Section 34179.5, and prepared a Report on that review; and

WHEREAS, pursuant to Health and Safety Code Section 34179.6(a), by December 15, 2012, the Successor Agency must provide the Oversight Board, County Auditor-Controller, State Controller, and the Department of Finance, the results of the Due Diligence Review of the non-housing funds and accounts; and

WHEREAS, the Goleta RDA Successor Agency received the final results of the Due Diligence Review of the non-housing funds and accounts on January 8, 2013 and subsequently on January 8, 2013 sent a letter along with the Due Diligence Review of the non-housing funds and accounts to the Oversight Board, County Auditor-Controller, State Controller, and the Department of Finance pursuant to Health and Safety Code Section 34179.6(b); and

WHEREAS, following receipt of the Report, the Oversight Board is required to convene a public comment session, to be held not less than 5 business days prior to the approval vote by the Oversight Board; and

WHEREAS, the Oversight Board held a public comment session on the Due Diligence Review on January 17, 2013; and

WHEREAS, by January 15, 2013, or in the case of the RDA Successor Agency immediately following the review and approval, for the non-housing funds and accounts, the Oversight Board must review, approve, and transmit to the Department of Finance and the County Auditor-Controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities; and

WHEREAS, Section 34179.6 empowers the Oversight Board to authorize the Successor Agency to retain certain assets or funds, such as restricted funds, including bond or grant funds or cash funds that are required to fund an enforceable obligation, physical assets such as equipment or land; and funds to satisfy obligations that will be placed on the Recognized Obligation Payment Schedule for the current fiscal year; and

WHEREAS, an oversight board that makes that authorization must identify to the Department of Finance the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained; and

WHEREAS, the determination and authorization to retain funds and assets is then subject to the review and approval of the Department of Finance.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE GOLETA RDA SUCCESSOR AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. CEQA Compliance. The action of the Oversight Board to approve the Report on the Due Diligence Review, authorize the Successor Agency to retain certain assets and funds, and determine the cash and cash equivalents that are available for disbursement to the taxing entities does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 3. Approval of Retention of Assets and Funds. Following its review of the Report on the Due Diligence Review, and the public comments received during the public comment session held on the Due Diligence Review, and pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board hereby approves and authorizes the Successor Agency to retain those assets and funds identified in Exhibit A, attached hereto and incorporated herein by reference. The Oversight Board further approves the purposes for which those funds are being retained, as set forth in the attached Exhibit A.

SECTION 4. Determination of Cash and Cash Equivalents Available for Disbursement to Taxing Entities. The Oversight Board hereby approves the Report on the Due Diligence Review of the Successor Agency's Non-Housing Funds and Accounts, in substantially the form on file with the Secretary of the Oversight Board.

Based on the information contained in the Report, and those assets and funds to be retained by the Successor Agency as set forth in Exhibit A, the Oversight Board hereby determines that the amount of cash and cash equivalents available for disbursement to the taxing entities is as set forth in the calculation attached hereto as Exhibit B and incorporated herein by reference.

SECTION 5. Submittal to Department of Finance. The Oversight Board hereby directs staff to submit to the Department of Finance and the County Auditor Controller, by January 15, 2013, or in the case of the RDA Successor Agency as immediately following the review and approval, a copy of the Report and the information on the cash and assets the Oversight Board has determined should be retained by the Successor Agency and the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities, as set forth in Exhibits A and B, attached hereto.

SECTION 6. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7. Certification. The RDA Successor Agency Secretary shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

SECTION 8. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED at a special meeting of the Oversight Board of the Goleta RDA Successor Agency on the 24th day of January, 2013.

RENÉE BAHL
CHAIRPERSON

ATTEST:

APPROVED AS TO FORM:

DEBORAH LOPEZ
RDA SUCCESSOR AGENCY SECRETARY

JAMES CASSO
SPECIAL COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF GOLETA)

I, DEBORAH LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 13-__ was duly adopted by the Oversight Board of the Goleta RDA Successor Agency at a special meeting held on the 24th day of January, 2013 by the following vote of the Board:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

DEBORAH LOPEZ
RDA SUCCESSOR AGENCY SECRETARY

EXHIBIT A

LISTING OF ASSETS AND FUNDS TO BE RETAINED **BY THE SUCCESSOR AGENCY**

No Non-Housing assets or funds are to be retained by the Goleta RDA Successor Agency.

EXHIBIT B

CALCULATION OF THE AMOUNT OF CASH AND CASH EQUIVALENTS AVAILABLE FOR DISBURSEMENT TO TAXING ENTITIES

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the Successor Agency as of June 30, 2012 (See Procedure 5 for detailed composition)	\$ 4 ,841,540
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 (See Procedures 2 and 3 for detailed composition)	-
Less: assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (See Procedure 6 for detailed composition)	(1,340,408)
Less: assets that are not cash or cash equivalents (e.g., physical assets) - (See Procedure 7 for detailed composition)	(1,255,161)
Less: balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (See Procedure 8.A for detailed composition)	-
Less: balances needed to satisfy ROPS for the 2012-13 fiscal year (See Procedure 9 for detailed composition)	(882,678)
Less: the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	(1,363,350)
Amount to be remitted to County of Santa Barbara for disbursement to taxing entities	<u>\$ (57)</u>