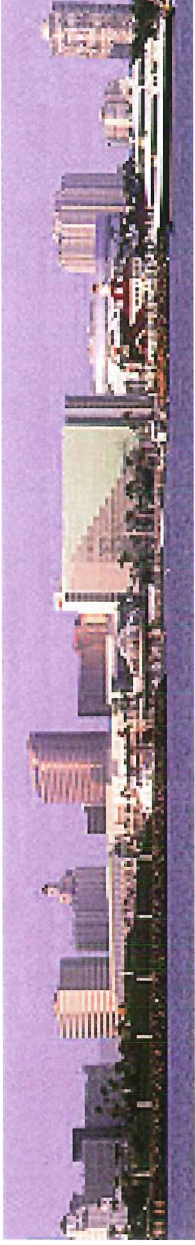




SUCCESSOR AGENCY FUND (NON HOUSING) DUE DILIGENCE REVIEW REPORT

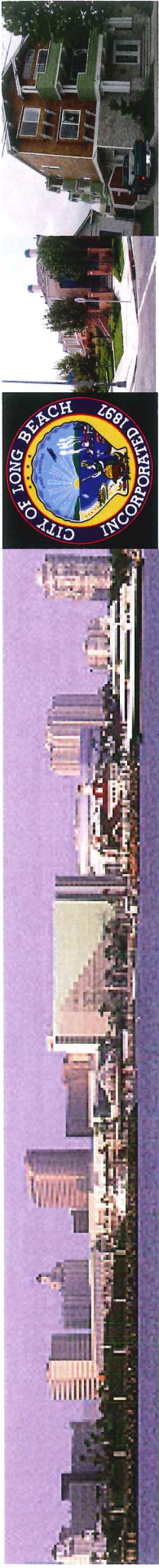
Public Comment Session

December 10, 2012



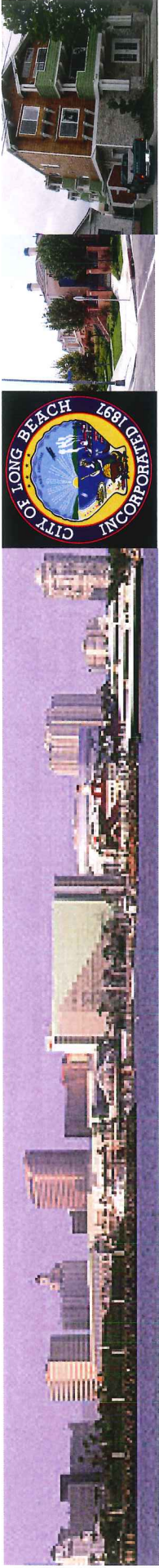
Purpose of the Successor Agency Fund (non Housing) Due Diligence Review

Pursuant to Chapter 34179.5 of the Health & Safety Code a Due Diligence Review is required to determine the amount of unobligated Successor Agency funds available for transfer to the County Auditor-Controller for distribution to affected taxing entities



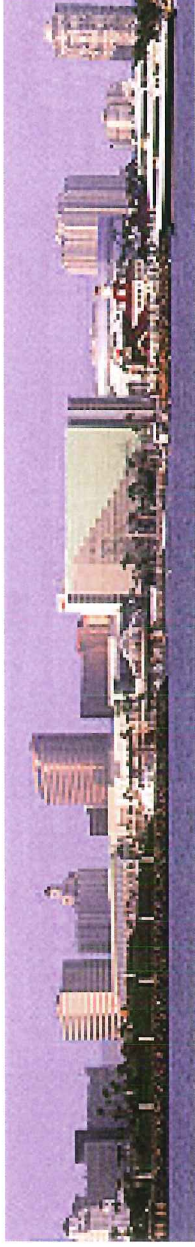
Purpose of the Successor Agency Fund (non Housing) Due Diligence Review (cont'd)

The Successor Agency contracted with the firm of Macias, Gini, and O'Connell, LLP (MGO) to conduct the Review in accordance with the procedures developed by the California Society of CPA's, with input from the State Controller's Office and the Department of Finance



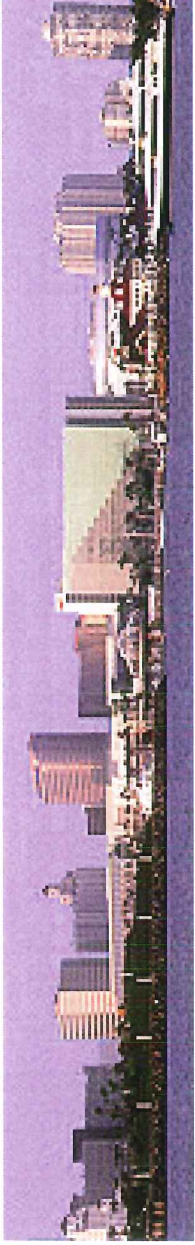
Successor Agency Fund (non Housing) Due Diligence Review Report Content

- 1) Table of Contents
- 2) MGO – Independent Accountant’s Report letter (page 1)
- 3) Agreed Upon Procedures and Findings (pages 3 thru 10)
- 4) Exhibit A – Asset Transfers to City 1/1/11 thru 1/31/12 (pages 11 thru 15)
- 5) Exhibit B – Assets Transfers to City 2/1/12 thru 9/30/12 (page 16)
- 6) Exhibit C – Assets Transfers to Public Agencies 1/1/11 thru 1/31/12 (pages 17 thru 42)



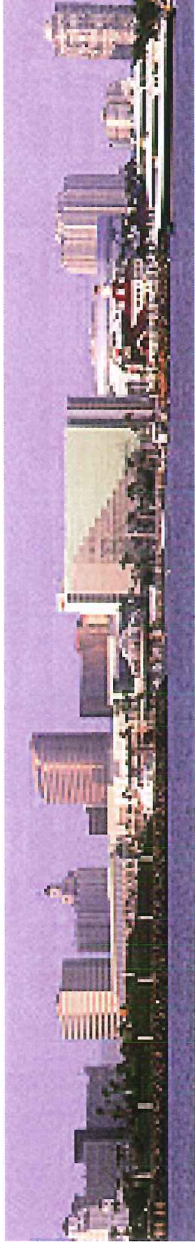
Successor Agency Fund (non Housing) Due Diligence Review Report Content (cont'd)

- 7) Exhibit D – Asset Transfers to Public Agencies 2/1/12 thru 9/30/12 (pages 45 and 46)
- 8) Exhibit E – Condensed Summary of Financial Data (page 47)
- 9) Exhibit F - Successor Agency Assets as of 9/30/12 (page 48)
- 10) Exhibit G – Successor Agency Restricted Assets (pages 49 thru 52)
- 11) Exhibit H – Successor Agency Assets Other Than Cash (page 53)



Successor Agency Fund (non Housing) Due Diligence Review Report Content (cont'd)

- 12) Exhibit I – Successor Agency Assets Needed to Satisfy Enforceable Obligations (pages 54 thru 58)
- 13) Exhibit J – Successor Agency Assets Available to Distribute to Affected Taxing Entities (page 59)



Summary of Balances Available for Distribution to Affected Taxing Entities – Exhibit J

Total amount of assets held by the Successor Agency as of 9-30-12 (Exhibit F, procedure 5)

\$336,564,068

Amounts of any assets transferred for which an enforceable obligation did not exist (Exhibit A, procedures 2 and 3)

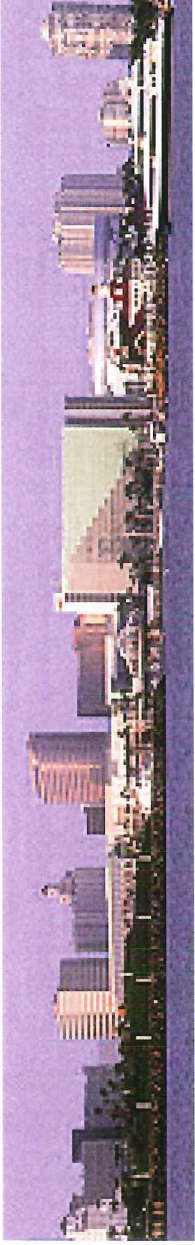
\$67,959

Less assets legally restricted for use by debt covenants, grant restrictions, or restrictions imposed by other governments (Exhibit G, procedure 6)

(\$48,683,907)

Less assets that are not cash or cash equivalents (Exhibit H, procedure 7)

(\$210,800,112)



Summary of Balances Available for Distribution to Affected Taxing Entities – Exhibit J (cont'd)

Less balances needed to satisfy ROPS for the
2012-2013 fiscal year (Exhibit I, procedure 9)

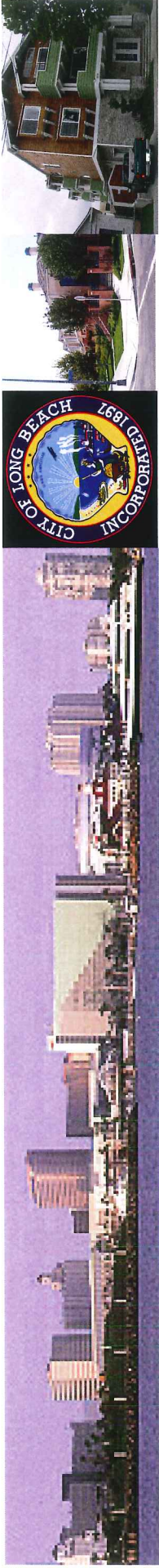
(\$35,466,868)

Less the amount of payments made on July 12,
2012 to the County Auditor-Controller as
directed by the Department of Finance

\$0

Amount to be remitted to the County Auditor-
Controller for distribution to taxing entities
(Exhibit J)

\$41,681,140



Summary of Balances Available for Distribution to Affected Taxing Entities - Recap

Successor Agency Assets as of September 30,
2012

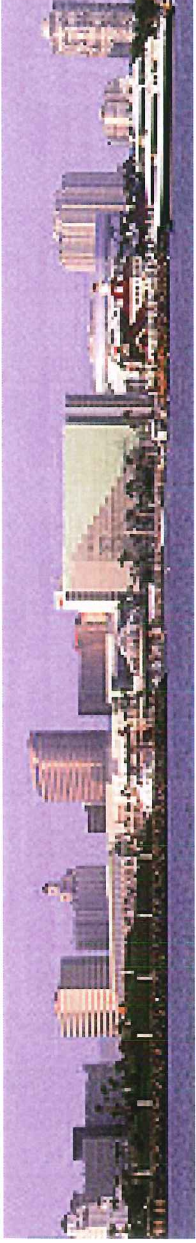
\$336,632,027

Less legally restricted balances, balances that
are not cash or cash equivalents, and balances
needed to satisfy ROPS enforceable obligations

(\$294,950,887)

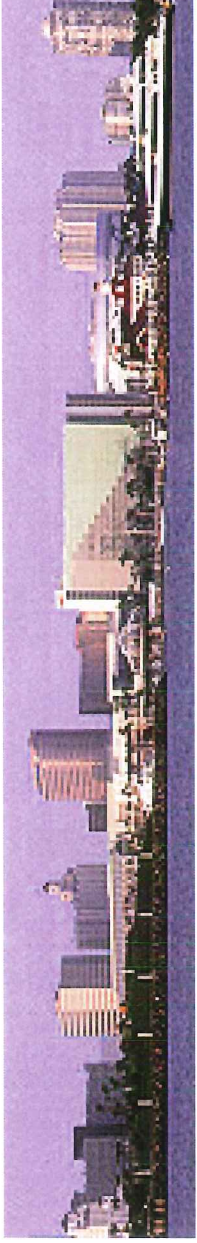
Amount to be remitted to the County Auditor-
Controller for distribution to taxing entities

\$41,681,140



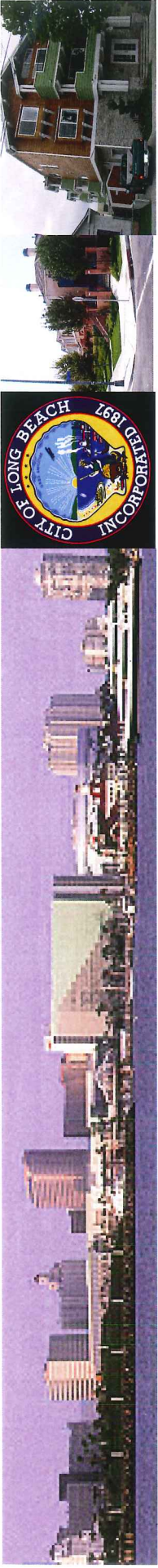
Successor Agency (non Housing) Due Diligence Review Exhibits

- 1) Exhibits A & B - Transfers of assets and cash or cash equivalents from the former RDA to the City of Long Beach for the period of January 1, 2011 through September 30, 2012 (\$174M)
- 2) Exhibits C & D - Transfers of cash or cash equivalents from the former RDA to any public agency or private party for the period of January 1, 2011 through September 30, 2012 (\$57M)
- 3) Exhibit E - Condensed summary of financial data of the former RDA and Successor Agency for the 2009-2010, 2010-2011, and 2011-2012 fiscal years
- 4) Exhibit F - Balance of the Successor Agency fund as of September 30, 2012 (\$336M)



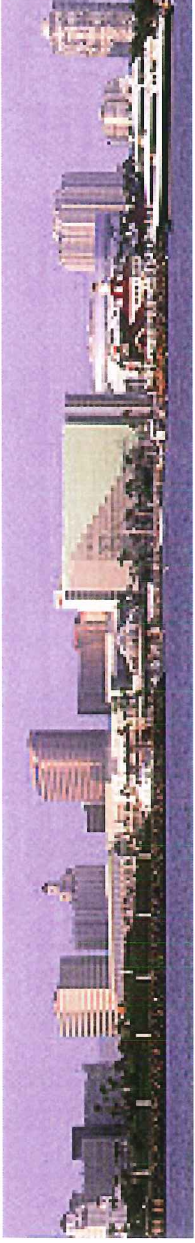
Successor Agency (non Housing) Due Diligence Review Exhibits (cont'd)

- 5) Exhibit G - Amounts that are legally restricted and cannot be provided to taxing entities (\$48M)
- 6) Exhibit H - Value of any assets that are not cash or cash equivalents (\$210M)
- 7) Exhibit I - Balances that are legally restricted for the funding of obligations on the Recognized Obligation Payment Schedule for the 2012-13 fiscal year (\$35M)
- 8) Exhibit J - Amount available to remitted to the County Auditor-Controller for distribution to affected taxing entities (\$41M)



Successor Agency (non Housing) Due Diligence Review - Next Steps

- 1) Oversight Board review and approval of DDR results is scheduled for Monday, January 7th, 2013
- 2) Approved DDR results to be transmitted to the Department of Finance, and the County Auditor-Controller no later than January 15, 2013
- 3) The Department of Finance must complete its review of the approved DDR no later than April 1st, 2013
- 4) The Successor Agency may request to meet and confer with the Department of Finance to resolve any disputes regarding the amounts or sources of funds identified as determined by the Department of Finance



Successor Agency (non Housing) Due Diligence Review - Next Steps (cont'd)

- 5) A meet and confer request must be made within 5 business days of receipt of notification from the Department of Finance
- 6) The Department of Finance shall either confirm or modify its determinations and decisions within 30 days of the request to meet and confer
- 7) The Successor Agency must transmit to the County Auditor-Controller the amounts of funds required pursuant to the determination of the Department of Finance within 5 working days of receipt of the determination