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

CITY OF NORCO AS THE SUCCESSOR AGENCY OF THE
NORCO COMMUNITY REDEVELOPMENT AGENCY

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

NORCO COMMUNITY REDEVELOPMENT AGENCY
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
LOW AND MODERATE INCOME HOUSING FUND AGREED-UPON PROCEDURES

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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 for the Norco Community Redevelopment Agency, the California State Controller's Office and the State of California Department of Finance (Agencies) solely to assist you to determine the Low and Moderate Income Housing Fund unobligated balances available for transfer to taxing entities 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.

Rogers Anderson Malody & Scott, LLP

September 24, 2012

Purpose: To determine the unobligated balances available for transfer to taxing entities of the Low and Moderate Income Housing Fund. [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:

According to City of Norco Officials: "As of the date of the Due Diligence Review the City of Norco is acting as a "Temporary Holding Housing Successor" and keeping custody of the Low-Mod Fund ending balances at January 31, 2012. The City of Norco did not elect to be the Housing Successor, and informed the State of California Department of Finance, the State of California Controller's Office, and the Riverside County Housing Authority of this election. The Riverside County Housing Authority refused to take over as the Housing Successor and the matter is still pending resolution from the State of California Department of Finance." Nonetheless, the City of Norco set up a separate Fund in its accounting software to account for the balances of the Low-Mod Fund to be transferred once the Housing Successor is designated. We agreed the amounts in the Low-Mod Fund as of January 31, 2012 to the amounts transferred to the "Housing Asset Fund 018" set up by the City of Norco finance department. In the attached listing obtained from the Successor Agency there are two columns differentiating the balances to be transferred to the Housing Successor to be designated and the balances of the Successor Agency, though all are kept combined in the accounting system of the City of Norco as "Housing Asset Fund 018".

See Attachment 1 for detailed listing obtained from the Successor Agency.

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:

   According to Successor Agency Officials, there were no transfers 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.

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 Successor Agency Officials, there were no transfers 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.

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:

   This procedure was not performed since there were no transfers identified by the Successor Agency for procedures 2.A or 2.B

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 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:

   See Attachment 3 for listing obtained from Successor Agency.

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.

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.

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.

Results:

Procedure 4 pertains to the Successor Agency as a whole, these procedures are to be addressed and presented in the report due on December 15, 2012.

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 all assets of the Low and Moderate Income Housing Asset Fund as of June 30, 2012 for the report that is due October 1, 2012. The listing includes only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency under the column of the same name as of June 30, 2012, and also shows the assets that will be transferred to the entity to assume the Housing functions previously performed by the former redevelopment agency under the Housing Successor column. We agreed the balances shown in the Total column to the Trial Balance of the Temporary Low-Mod Housing Asset Fund 018 created by the Successor Agency.

Description	To be Transferred to the Housing Successor 6/30/2012	Successor Agency 6/30/2012	Total
2003 Tax Allocation Bond	$ -	$ 1,565,263	$ 1,565,263
Cash-Wells Fargo	5,241	3,160,089	3,165,330
Cash-2003 TAB	-	49,142	49,142
2010 RDA Tax Allocation Bond	-	22,545	22,545
Accrued Interest Rec	11,883	2,170	14,053
Deferred Loan Receivable	4,887,206	-	4,887,206
Wasatch Loan Receivable	4,753,203	-	4,753,203
Due from Othr Governments	100,711	-	100,711
Loan to RDA (SB844)-ERAF	3,000,000	-	3,000,000
Land Held for Resale	3,369,583	-	3,369,583
Total Assets	$ 16,127,827	$ 4,799,209	$ 20,927,036

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:

See Attachment 6.A for results of procedures 6.A.i, 6.A.ii, and 6.A.iii.

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 Officials, there are no restricted balances for Grants Proceeds and Program Income as of June 30, 2012 in the Fund 018 - Housing Asset Fund.

C. Other assets considered to be legally restricted:

i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).

ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

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

Results:

According to Successor Agency Officials, there are no other assets considered to be restricted as of June 30, 2012 in the Fund 018 - Housing Asset Fund.

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 Attachment 6.D for results of procedure 6.D.

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 were identified by Successor Agency Officials as to be listed at book value.

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 amount to the Trial Balance of the Successor Agency for the Low -Mod Housing Asset Fund noting 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.

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.

Results:

According to Successor Agency Officials: "Assuming that there will be no further State "take away", further decline in property values, any legal actions arising from normal course of business by the Successor Agency and its Oversight Board, and significant increase in County and State administrative fees, the Agency believes that it does not need to retain asset balances to satisfy future obligations."

i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.

ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.

iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.

iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:

Results:

According to Successor Agency Officials: "Assuming that there will be no further State "take away", further decline in property values, any legal actions arising from normal course of business by the Successor Agency and its Oversight Board, and significant increase in County and State administrative fees, the Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation to be sufficient to fund future obligation payments."

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.

Results:

According to Successor Agency Officials: "Assuming that there will be no further State "take away", further decline in property values, any legal actions arising from normal course of business by the Successor Agency and its Oversight Board, and significant increase in County and State administrative fees, the Agency believes that projected property tax revenues and other general revenues to be received are sufficient to fund future obligation payments."

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.

Results:

Procedures 8.A, 8.B, and 8.C were not performed since Successor Agency Officials believe that no asset balances need to be retained due to insufficient funds in the future to pay for future enforceable obligations.

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.

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:

According to Successor Agency Officials: "Assuming that there will be no further State "take away", further decline in property values, any legal actions arising from normal course of business by the Successor Agency and its Oversight Board, and significant increase in County and State administrative fees; the Agency believes that projected other general revenues to be received are sufficient to fund future obligation payments and there is no necessity to retain cash balances as of June 30, 2012."

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:

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES	Total
Total amount of assets held by the successor agency as of June 30, 2012 (See Procedure 5 for detailed composition)	$ 4,799,209
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 (See Procedure 6 for detailed composition)	(1,636,950)
Less: assets that are not cash or cash equivalents (e.g., physical assets) - (See Procedure 7 for detailed composition)	(2,170)
Less: balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (Procedure 8)	-
Less: balances needed to satisfy ROPS for the 2012-13 fiscal year (Procedure 9)	-
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	$ 3,160,089

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 September 24, 2012 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 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.

NORCO COMMUNITY REDEVELOPMENT AGENCY
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
LOW AND MODERATE INCOME HOUSING FUND AGREED-UPON PROCEDURES
Attachment 1

Listing of Assets Transferred from the former redevelopment agency to the Successor Agency on February 1, 2012

Description	To be Transferred to the Housing Successor 1/31/2012	Successor Agency 1/31/2012	Total
2003 Tax Allocation Bond	$ -	$ 1,564,929	$ 1,564,929
Cash-Wells Fargo	-	3,244,338	3,244,338
Cash-2003 TAB	-	49,048	49,048
2010 RDA Tax Allocation Bond	-	22,502	22,502
Accounts Receivable	3,968	-	3,968
Accrued Interest Rec	-	2,576	2,576
Deferred Loan Receivable	4,912,206	-	4,912,206
Wasatch Loan Receivable	4,761,648	-	4,761,648
Due from Othr Governments	117,777	-	117,777
Loan to RDA (SB844)-ERAF	3,000,000	-	3,000,000
Land Held for Resale	3,369,583	-	3,369,583
Total Assets Transferred	$ 16,165,182	$ 4,883,393	$ 21,048,575

NORCO COMMUNITY REDEVELOPMENT AGENCY
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
LOW AND MODERATE INCOME HOUSING FUND AGREED-UPON PROCEDURES
Attachment 3

3A. Transfers from former RDA to Other Public Agency/Private Parties January 1, 2011 through January 31, 2012

TRANSFER DESCRIPTION	TRANSFER AMOUNT	TRANSFER DATE	OTHER PUBLIC AGENCY OR PRIVATE PARTIES	ENFORCEABLE OBLIGATION		Procedure 3.C Results
				Required by	IF YES, DATE	
Homeless Prevention-Weekly Senior Meals	$ 1,715	1/1/2011-2/28/2011	Sodexo, Inc & Affiliates	Contract	-	Documents provided consisted of invoices from Sodexo adding up to "Transfer Amount". According to Successor Agency Official, this is a budgetary item in the period from Jan 2011 to Jan 2012.
First-Time Home Buyer Loans	66,000	7/13/2011-9/7/2011	Various	Contracts	7/2011-9/2011	Documents provided consisted of loan agreements adding up to the total shown in the transfer amount column. One of the agreements was disallowed as a Housing asset by the DOF letter to the City of Norco dated August 30, 2012, for $29,250. The disallowance is based on the date of the agreement being after June 27, 2011. The "Transfer Amount" are assistance payments secured by a deed of trust.
Deferred Loan Program	84,417	1/6/2011-1/31/2012	Various	Contracts	1/2011-4/2011	Documents provided consisted of loan agreements with homeowners for property rehabilitation. The "Transfer Amount" are actual payments to contractors and others involved in the rehabilitation. The loans are secured by a second deed of trust.
Sewer and Water Assistance Program	94,157	1/28/2011-1/31/2012	City of Norco Water/Sewer	Contracts	1/2011-1/2012	Documents provided consisted of approved applications from qualifying citizens for the Assistance Program. The "Transfer Amount" are actual payments to the Proprietary Funds of the City of Norco for the discount given to those qualifying applicants.
Neighborhood Stabilization Program Deferred Loans	38,200	1/20/2011-9/15/2011	Various	Contracts	1/2011-9/2011	Documents provided consisted of agreements between the Redevelopment Agency and the contractors engaged to do the projects. The "Transfer Amount" are actual payments to such contractors for the work performed.
Total	$ 284,489	-	-	-	-	-

3B. Transfers from former RDA to Other Public Agency/Private Parties February 1, 2012 through June 30,2012

TRANSFER DESCRIPTION	TRANSFER AMOUNT	TRANSFER DATE	OTHER PUBLIC AGENCY OR PRIVATE PARTIES	ENFORCEABLE OBLIGATION		Procedure 3.C Results
				Required by	IF YES, DATE	
Settlement Agreement	$ 137,000	06/21/2012	Weibe, Curtis D. & Ashlee	Agreement	-	Document provided consisted of a Settlement agreement dated June 2012.
Total	$ 137,000	-	-	-	-	-

NORCO COMMUNITY REDEVELOPMENT AGENCY
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
LOW AND MODERATE INCOME HOUSING FUND AGREED-UPON PROCEDURES
Attachment 6.A

Unspent Bonds Proceeds: Successor Agency Computation of Restricted Balances

i.

General Ledger Account	Asset Description	June 30, 2012
1011.09	Cash - 2003 Tax Allocation Bond with Fiscal Agent	$ 1,565,263
1030.09	Cash - 2003 Tax Allocation Bond in LAIF	49,142
1030.11	Cash - 2010 RDA Tax Allocation Bond	22,545
Total Asset Balances		$ 1,636,950
Less not liquid and not available:		-
Total Unspent Bond Proceeds - Restricted		$ 1,636,950
Restrictions:		
Infrastructure and/or capital improvement projects and affordable housing projects per bond indentures.		
Restrictions are in effect until the bond proceeds are expended for their intended purpose or use as stated and certified in the bond documents.		

ii.

General Ledger Account	Asset Description	June 30, 2012	Procedure 6.A.ii Results
1011.09	Cash - 2003 Tax Allocation Bond with Fiscal Agent	$ 1,565,263	Agreed amount to General Ledger Account in Fund 018 Low Mod Temporary Housing Asset.
1030.09	Cash - 2003 Tax Allocation Bond in LAIF	$ 49,142	Agreed amount to General Ledger Account in Fund 018 Low Mod Temporary Housing Asset.
1030.11	Cash - 2010 RDA Tax Allocation Bond	$ 22,545	Agreed amount to General Ledger Account in Fund 018 Low Mod Temporary Housing Asset.

iii.

General Ledger Account	Asset Description	June 30, 2012	Procedure 6.A.iii Results
1011.09	Cash - 2003 Tax Allocation Bond with Fiscal Agent	$ 1,565,263	Reviewed Bond Indenture specific language restriction for intended purposes.
1030.09	Cash - 2003 Tax Allocation Bond in LAIF	$ 49,142	Reviewed Bond Indenture specific language restriction for intended purposes.
1030.11	Cash - 2010 RDA Tax Allocation Bond	$ 22,545	Reviewed Bond Indenture specific language restriction for intended purposes.

NORCO COMMUNITY REDEVELOPMENT AGENCY
DUE DILIGENCE REVIEW PURSUANT H&S CODE SECTION 34179.5
LOW AND MODERATE INCOME HOUSING FUND AGREED-UPON PROCEDURES
Attachment 6.D

Unspent Bonds Proceeds: Successor Agency Computation of Restricted Balances

General Ledger Account	Asset Description	June 30, 2012	Procedure 6.D Results
1011.09	Cash - 2003 Tax Allocation Bond with Fiscal Agent	$ 1,565,263	According to Successor Agency Officials and the Bond Indenture, the unspent bond proceeds are restricted until expended for its intended purposes.
1030.09	Cash - 2003 Tax Allocation Bond in LAIF	$ 49,142	According to Successor Agency Officials and the Bond Indenture, the unspent bond proceeds are restricted until expended for its intended purposes.
1030.11	Cash - 2010 RDA Tax Allocation Bond	$ 22,545	According to Successor Agency Officials and the Bond Indenture, the unspent bond proceeds are restricted until expended for its intended purposes.