

**RESOLUTION OB 2012-004**

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE  
TOWN OF LOS GATOS AUTHORIZING COUNTY AUDITOR-  
CONTROLLER TO USE MGO AND THE AGREED UPON AUDIT (AUP)  
FOR DUE DILIGENCE REVIEW**

**RECITALS:**

A. Pursuant to Health and Safety Code Section 34170 ("Dissolution Act") which dissolved the former Redevelopment Agency of the Town of Los Gatos (the "Former Agency") and designated the Town of Los Gatos ("Town") as the Successor Agency for the Former Agency ("Successor Agency")

B. Pursuant to Health and Safety Code Section 34177(d), the Successor Agency must remit unencumbered balances of Former Agency funds ("Unencumbered Funds") for distribution to taxing entities.

C. Pursuant to Health and Safety Code Section 34179.5, for the purpose of calculating the cash and cash equivalents that must be remitted, the Successor Agency is required to either (a) employ a licensed accountant, approved by the County Auditor-Controller or (b) use an audit provided by the County Auditor-Controller that provides the required information, with the concurrence of the Oversight Board.

D. The County Auditor-Controller has represented to the Successor Agency staff that the use MGO and the Agreed-upon Procedure Audit (AUP) for the purposes of Code 34719.5 would be a more efficient use of resources in order to complete the audit by October 1, 2012.

E. Given the representations of the County Auditor-Controller, the Oversight Board finds it to be more advantageous and expeditious to use the County Auditor-Controller's selected accountant, MGO and the Agreed-Upon Procedure Audit (AUP) as the basis and foundation for the purpose of determining cash and cash equivalents in the Unencumbered Funds for distribution to the taxing entities.

**NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR  
AGENCY TO THE REDEVELOPMENT AGENCY OF THE TOWN OF LOS GATOS,  
HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board and Successor Agency hereby concurs with the appointment of County Auditor-Controller to use MGO to conduct the Due Diligence Review for housing assets mandated by AB 1484 and for the purpose of calculating cash and cash equivalents in Unencumbered Funds from housing assets that may be available for distribution to the taxing entities, provided that the County Auditor-Controller shall agree to meet and confer with the Successor Agency staff regarding the proper scope and procedures for audit.

Section 3. The Town Manager, in his capacity as an executive officer of the Successor Agency, or his designates, is hereby authorized to meet and confer with the County Auditor-Controller for the purposes of this resolution.

Section 4. The Successor Agency is hereby directed to report to the Oversight Board the actions of the State Department of Finance and bring back any item that is returned to the Oversight Board for reconsideration.

**PASSED, APPROVED AND ADOPTED** this 23rd day of August, 2012.

AYES: Andy Bursch, Rebecca Haggerty, Traci Hess, Ed Maduli, Mike Rock, Jessica Von Borck and Chair Steve Rice

NAYES:

ABSENT:

ABSTAIN:

SIGNED:



CHAIR OF OVERSIGHT BOARD TO THE  
SUCCESSOR AGENCY OF THE  
REDEVELOPMENT AGENCY OF THE  
TOWN OF LOS GATOS, CALIFORNIA

ATTEST: *M. Vakharia*

SUCCESSOR AGENCY CLERK ADMINISTRATOR  
TOWN OF LOS GATOS, CALIFORNIA