

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To the Oversight Board of the Successor Agency  
County of Placer  
Auburn, California

We have performed the procedures enumerated in Attachment A, which was agreed to by the State Department of Finance (State), solely to assist you in ensuring that the dissolved redevelopment agency was complying with its statutory requirements with respect to ABX1 26 for the period June 29, 2011 to January 31, 2012. Management of the successor agency and the County are responsible for the accounting records pertaining to statutory compliance. 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 agreed-upon procedures at your direction as set forth in Attachment A.

Attachment B identifies 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 at Attachment B. 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 County, the successor agency and applicable State agencies and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountant

Auburn, California  
July 1, 2012

## Attachment A

### Agreed-Upon Procedures Engagement

#### Pursuant to AB X1 26, Community Redevelopment Dissolution

*Purpose: To establish each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness or other enforceable obligations incurred by the redevelopment agency and certify the initial recognized obligation payment schedule. [Section 34182 (a) (2)]*

#### **RDA Dissolution and Restrictions**

- For each of the dissolved redevelopment agencies , perform the following:
  1. Obtain a copy of the enforceable obligation payment schedule (EOPS). Verify this schedule includes the project name associated with the obligation, the payee, short description of the nature of the work/service, and the amount of payments to be made by month through December 31, 2011.
  2. Obtain a copy of the amended EOPS for the period January 1, 2012 to June 30, 2012 and verify this schedule includes the project name associated with the obligation, the payee, short description of the nature of the work/service, and the amount of payments to be made by month.
  3. As of June 29, 2011, verify the agency did not incur new indebtedness or expand existing monetary or legal obligations, amended agreements, entered into contracts, etc., as described in Health and Safety Code Sections 34161 through 34165.
  4. Identify all asset transfers after January 1, 2011 and determine if the State Controller has reviewed any redevelopment agency asset transfers to the sponsoring community (City or County).
  5. Verify the transfer of the Low and Moderate Income Housing Fund and related activities to the successor "housing" agency on February 1, 2012

#### **RDA Financial and Compliance Audit**

- Pursuant to Health and Safety Code Section 33080.1, obtain a copy of the financial and compliance audit as of and for the fiscal year ended June 30, 2011.
  1. Verify audit meets the audit guidelines issued by the California State Controller, including a report on the agency's compliance with laws, regulations and administrative requirements.
  2. Ensure audit was conducted in accordance with *Government Auditing Standards*.

3. Verify the agency received an unqualified opinion on the financial statements; if other than unqualified, document the reasons for the qualification and determine whether additional procedures should be conducted.
4. Obtain a copy of the management letter, if applicable.

### **Successor Agency**

1. Verify that a successor agency has been appointed, with names of the successor agency oversight board submitted to the State Department of Finance by May 1, 2012.
2. Determine and verify the assets, properties, contracts, leases, books and records, buildings, and equipment that were transferred to the successor agency.
3. Pursuant to Health and Safety Code Section 34178 (b), determine which written agreements are truly valid and bind the successor agency.
4. Verify that the successor agency has established the Recognized Obligation Retirement Fund in its treasury.
5. Verify payments were made by the successor agency in accordance with the EOPS and/or ROPS.

### **Recognized Obligation Payment Schedule (ROPS)**

- Obtain a copy of the initial draft of the ROPS from the successor agency.
  1. Verify the initial draft of the ROPS was prepared by March 1, 2012.
  2. Ensure the draft ROPS was duly approved by the Oversight Board prior to May 1, 2011.
  3. Ensure a copy was submitted to the County Auditor-Controller, State Controller and Department of Finance.
  4. Review and test the enforceable obligations listed on the ROPS that were paid off up to June 30, 2012, if any, to ensure they were properly authorized and comply with laws and regulations.
  5. Reconcile the draft ROPS to the EOPS and note any differences.
  
- Obtain a copy of the final ROPS from the successor agency.
  1. Ensure the final ROPS was submitted to the State Controller and Department of Finance by April 15, 2012 and is posted on the website of the successor agency.
  2. Determine the priority and source of payments to be made from the Redevelopment Property Tax Trust Fund pursuant to Health and Safety Code Section 34183(a)(2).
  3. Obtain a copy of the final statement of indebtedness and note any differences between the SOI and the final ROPS.
  4. Verify payments were made in accordance with the final ROPS.
  5. Review and test all enforceable obligations on the ROPS to ensure they have been properly authorized and comply with laws and regulations.

### **Other Procedures**

- Obtain a copy of pass-through payment agreements.
  1. Verify the pass-through payment calculation amounts were processed accordingly, both negotiated and statutory.
  2. Determine which pass-through payments were made by February 1, 2012.
- Issue agreed-upon procedures report and distribute to the California State Controller by July 15, 2012.

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