

CITY OF SAN RAMON

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES ON ALL OTHER FUNDS
(EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)
OF THE FORMER REDEVELOPMENT AGENCY OF THE
CITY OF SAN RAMON, CALIFORNIA**

**PURSUANT TO AB 1484 AND AS DESCRIBED IN SECTION 34179.5
TO THE CALIFORNIA HEALTH AND SAFETY CODE**

January 14, 2013

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Successor Agency for the Redevelopment Agency
of the City of San Ramon, California

We have performed the procedures applied to all other funds (excluding the Low and Moderate Income Housing Fund) of the former San Ramon Redevelopment Agency (the "Agency"), enumerated in Attachment A, which were agreed to by the City of San Ramon, California (the "City"), as Successor Agency to the Agency (the "Successor Agency"), the California State Controller's Office, and the California State Department of Finance (collectively referred to as the "Specified Parties"), solely to assist the Specified Parties in determining the balance available for transfer to taxing entities from assets transferred to the Successor Agency from all other funds (excluding the Low and Moderate Income Housing Fund) of the former Agency, as prescribed in Section 34179.5 of the California Health and Safety Code. 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 which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures applied to all other funds (excluding the Low and Moderate Income Housing Fund) of the Agency and the Successor Agency as set forth in Attachment A. Attachment A also 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 on the balance available for transfer to taxing entities from assets transferred to the Successor Agency from all other funds (excluding the Low and Moderate Income Housing Fund) of the Agency or as to the appropriateness of the other financial information summarized in Attachments A, B, C and D. 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.

The report is intended solely for the information and use of the Successor Agency, the California State Controller's Office and the Department of Finance, 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 the distribution of this report, which is a matter of public record.

Burr Pilger Mayer, Inc.

San Jose, California
January 14, 2013

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

The agreed-upon procedures, as it related to all other funds (excluding the Low and Moderate Income Housing Fund) (“All Other Funds”) of the former Agency and Successor Agency, and findings are as follows:

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.

Suggested Procedure(s):

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. Indentify in the agreed-upon procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Result: Obtained a listing of all assets transferred from the Agency to the Successor Agency. On February 1, 2012, assets of \$18,981,632 in All Other Funds of the Agency remained in the same fund in the City of San Ramon’s accounting system. We agreed the amounts on this listing to the account balances established in the accounting records of the Successor Agency, noting the total balance of all assets transferred from All Other Funds of the Agency to the Successor Agency on February 1, 2012 was \$18,981,632. Please refer to the asset listing below.

**All Other Funds (Excluding the Low and Moderate Income Housing)
List of Assets Transferred**

	<u>February 1, 2012</u>
Cash	\$ 2,472,755
Restricted Cash - Unspent Bond Proceeds	3,472,465
Cash with Fiscal Agent	7,156,047
Notes Receivables - Diablo Motors	20,000
Capital Assets - Land	<u>5,860,365</u>
Total Assets	<u><u>\$ 18,981,632</u></u>

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

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.

Suggested Procedure(s):

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.

Result: On December 31, 2011, the Agency transferred All Other Funds' assets to Fund 540, an agency other than a redevelopment agency, for \$150,000. The amount is being added back in Attachment C.

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.

Result: Identified 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. No exceptions were noted as a result of our procedures.

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.

Result: The assets transferred from All Other Funds are being added back in Attachment C.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

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.

Suggested Procedure(s):

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 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.

Result: On June 28, 2011, the Agency approved a resolution to enter into a loan agreement for \$20,000 with a private party. On July 22, 2011, the Agency executed the agreement to transfer assets of \$20,000 to a private party. The City executed the contract in good faith in July, however the State Controller's Office determined per AB x1 26 and AB 1484, no agreements are valid if executed after June 28, 2011, and therefore, this amount is being added back in Attachment C.

B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the 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.

Result: Identified no transfers from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. No exceptions were noted as a result of our procedures.

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.

Result: The assets transferred from All Other Funds are being added back in Attachment C.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

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.

Suggested Procedure(s):

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.

Result: Obtained summaries of the financial transactions of the Agency and the Successor Agency. See Attachment B for balances (includes Low and Moderate Income Housing Funds).

- 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.

Result: Obtained summaries of the financial transactions of the Agency and the Successor Agency. Reviewed that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period. See Attachment B for balances.

- 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.

Result: Compared the amounts in the schedule to the fiscal year ended June 30, 2010 to the State Controller’s Report filed for the Agency for that period with no exceptions noted.

- 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.

Result: Compared the amounts in the schedule to the fiscal year ended June 30, 2010 to the state controller’s report filed for the Agency, the audited financial statements for the year ended June 30, 2011 and internal accounting records for the period ended January 31, 2012 and June 30, 2012.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

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.

Suggested Procedure(s):

5. Obtain from the Successor Agency a listing of all assets of the Funds (excluding 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 all other funds (excluding 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.

Result: Obtained from the All Other Funds a listing of all assets as of June 30, 2012 and agreed the assets listed to the recorded balances reflected in the accounting record of the Successor Agency. The Successor Agency reported assets of \$18,144,765 in Attachment C at June 30, 2012.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

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.

Suggested Procedure(s):

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.

Result: Obtained the bond agreements, schedules and bank statements for the unspent 2006 tax allocation bond proceeds that totaled \$2,870,912 as of June 30, 2012. No exceptions were noted as a result of our procedures.

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.

Result: Noted no restricted balances per our review of schedules and inquiries with the Successor Agency. No exceptions were noted as a result of our procedures.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING 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 the Successor Agency as restricted.

Result: The cash balance from the RPTTF for \$3,765,319 is considered legally 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.

Result: The cash balance of \$2,870,912 represents the amount of unspent bond proceeds noted in 6a. The amount of \$3,687,958 is the amount legally restricted to be held as cash with fiscal agent. All restrictions are in effect until the final payment date for all bonds which is August 2038.

**All Other Funds
Restricted Assets**

	June 30, 2012
RPTTF Cash	\$ 3,765,319
Restricted Cash - Unspent Bond Proceeds	2,870,912
Cash with Fiscal Agent	3,687,958
Total Assets	\$ 10,324,189

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

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.

Suggested Procedure(s):

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.

Result: Obtained from the Successor Agency a listing of All Other Funds' assets as of June 30, 2012 that are not liquid or otherwise available for distribution. The assets listed in the table below are not considered to be housing-related assets, as that term is defined in the Health and Safety Code Section 34176(e). All assets listed are to be transferred to the Successor Agency. Amounts were listed at purchase cost.

**San Ramon Successor Agency
All Other Funds (excluding the Low and Moderate Income Housing)
Listing of Non-Cash Assets**

	<u>June 30, 2012</u>
Accounts Receivable	\$ 222
Interest Receivable	5,593
Notes Receivable - Diablo Motors	18,276
Capital Assets - Land	<u>5,860,365</u>
 Total Assets	 <u>\$ 5,884,456</u>

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

- 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.

Result: The June 30, 2012 balances were traced to the carrying balance that existed in the June 30, 2011 audited financial statements of the Agency.

- 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.

Result: The difference with Capital Assets – Land of \$928,888 is due to the title of the property resting with the City. The Agency reconciled all of the capital assets to the County Assessor’s records and found that the title of land in the amount of \$928,888 actually belongs to the City of San Ramon. As all assets listed, as of June 30, 2012, are being transferred to the Successor Agency, there is no additional testing necessary.

**San Ramon Successor Agency
All Other Funds (excluding the Low and Moderate Income Housing)
Listing of Non-Cash Assets**

	Unaudited June 30, 2012	Audited June 30, 2011	Difference
Accounts Receivable	\$ 222	\$ -	\$ 222
Interest Receivable	5,594	9,784	(4,190)
Notes Receivable - Diablo Motors	18,276	-	18,276
Capital Assets - Land	<u>5,860,365</u>	<u>6,789,253</u>	<u>(928,888)</u>
 Total Assets	 <u>\$ 5,884,457</u>	 <u>\$ 6,799,037</u>	 <u>\$ (914,580)</u>

- 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.

Result: Inspecting evidence supporting the recently estimated market value of the assets listed above was deemed not necessary. Traced the carrying balance of the assets that existed in the June 30, 2011 audited financial statements. No exceptions were noted as a result of our procedures.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

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.

Suggested Procedure(s):

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.
- 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.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
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- 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.
- 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.
- 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.

Result: We noted the Successor Agency did not have any remaining asset balances after procedures 6, 7 and 9 as of June 30, 2012 that needed to be retained to satisfy enforceable obligations; therefore, steps 8A, 8B, 8C and 8D are not applicable.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
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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.

Suggested Procedure(s):

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.

Result: The Successor Agency asserted that \$1,641,789 of the cash balances from All Other Funds needs to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through June 30, 2013. See Attachment D for additional details.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

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.

Suggested Procedure(s):

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).

Result: See Attachment C for the results of this procedure for All Other Funds combined.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
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**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
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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.

Result: Obtained representation letter from management and no exceptions were noted as a result of this procedure.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**

**ATTACHMENT B – ALL FUNDS - FINANCIAL TRANSACTIONS RECONCILIATION WORKSHEET
(INCLUDING THE LOW AND MODERATE INCOME HOUSING FUND)**

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
Assets (modified accrual basis)				
Cash and investments	\$ 5,001,611	\$ 1,760,069	\$ 2,472,755	\$ 1,936,120
RPTTF Cash	-	-	-	3,765,319
Restricted cash - unspent bond proceeds	10,914,514	7,954,386	6,030,158	4,925,739
Restricted cash and investments	8,757,705	8,070,212	7,156,047	3,687,958
Accounts receivable	-	-	1,175	572
Receivables:				
Notes	6,026,099	5,820,938	5,839,244	5,835,509
Interest	22,414	11,518	-	5,593
Advances to other funds	2,947,457	3,483,624	3,483,624	3,483,624
Prepaid and deposits	6,155	-	-	-
Land held for resale	3,091,868	3,091,868	3,092,668	3,092,668
Total Assets	\$ 36,767,823	\$ 30,192,615	\$ 28,075,671	\$ 26,733,102
Liabilities (modified accrual basis)				
Accounts payable	\$ 29,830	\$ 1,468,619	\$ 198,444	\$ 750,913
Accrued payroll	118,975	116,103	-	25,353
Advances from other funds	2,947,457	3,483,624	3,483,624	3,483,624
Deferred revenue	6,026,099	5,820,938	5,839,244	5,835,509
Total Liabilities	9,122,361	10,889,284	9,521,312	10,095,399
Equity	27,645,462	19,303,331	18,554,359	16,637,703
Total Liabilities and Equity	\$ 36,767,823	\$ 30,192,615	\$ 28,075,671	\$ 26,733,102
Total Revenues	\$ 8,840,511	\$ 8,357,222	\$ 4,743,906	\$ 3,383,121
Total Expenditures	(20,697,996)	(16,549,353)	(5,342,257)	(3,059,064)
Total Transfers	(149,849)	(150,000)	(150,621)	620
Net Change in Equity	(12,007,334)	(8,342,131)	(748,972)	324,677
Beginning Equity	39,652,796	27,645,462	19,303,331	18,554,359
Ending Equity	\$ 27,645,462	\$ 19,303,331	\$ 18,554,359	\$ 18,879,036
Other Information (show year end balances for all four periods presented):				
Capital assets as of end of year	\$ 6,789,253	\$ 6,789,253	\$ 5,860,365	\$ 5,860,365
Long-term debt as of end of year	82,563,539	80,487,306	80,432,306	78,190,973
Interest on long-term debt as of end of year	3,913,258	3,815,576	1,743,868	1,767,545

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**

**ATTACHMENT C – ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING)
ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE AVAILABLE TO
DISTRIBUTE TO AFFECTED TAXING ENTITIES**

Total amount of assets held by the Successor Agency as of June 30, 2012 (procedure 5)	\$ 18,144,765
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)	170,000
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	(10,324,189)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(5,884,456)
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)	(1,641,789)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	<u>(464,331)</u>
Amount to be remitted to county for disbursement to taxing entities	<u><u>\$ -</u></u>

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**

**ATTACHMENT D – ALL OTHER FUNDS (EXCLUDING THE LOW AND MODERATE INCOME HOUSING)
JUNE 30, 2012 CASH RETAINED TO SATISFY OBLIGATIONS FOR THE 2012-13 ROPS**

<u>Item</u>	<u>Name</u>	<u>ROPS Line Item</u>	<u>FY 2012-13 Approved Obligation Amount</u>	<u>Existing Cash Needed to Satisfy Obligation</u>	<u>Successor Agency Explanations</u>
1	2006 Tax Allocation Bonds Ser A	ROPS II-1	\$ 976,750	\$ 976,750	After considering projected revenues, there will not be sufficient funds to cover these entire obligations for FY 2012-13
2	2006 Tax Allocation Bonds Ser B	ROPS II-2	2,205,058	665,039	
3	2004 Tax Allocation Bonds	ROPS II-3	625,475	-	
4	1998 Tax Allocation Bonds	ROPS II-4	1,849,330	-	
5	2005 ERAF Loan	ROPS II-5	64,584	-	
6	2006 ERAF Loan	ROPS II-6	62,032	-	
7	Bond Trustee Fees	ROPS II-7a	6,000	-	
8	Bond Disclosure Audit	ROPS II-7c	5,000	-	
9	Villa San Ramon OPA	ROPS II-8	40,980	-	
10	2006 Tax Allocation Bonds Ser A	ROPS III-1	488,375	-	
11	2006 Tax Allocation Bonds Ser B	ROPS III-2	1,650,029	-	
12	2004 Tax Allocation Bonds	ROPS III-3	500,238	-	
13	1998 Tax Allocation Bonds	ROPS III-4	1,329,665	-	
14	2006 Tax Allocation Bonds Ser A	ROPS III-5	976,750	-	
15	2006 Tax Allocation Bonds Ser B	ROPS III-6	2,201,475	-	
16	2004 Tax Allocation Bonds	ROPS III-7	626,600	-	
17	1998 Tax Allocation Bonds	ROPS III-8	1,846,400	-	
18	2005 ERAF Loan	ROPS III-9	35,584	-	
19	2006 ERAF Loan	ROPS III-10	37,032	-	
20	Bond Trustee Fees	ROPS III-11	5,500	-	
21	Bond Annual Disclosure Report	ROPS III-12	4,000	-	
22	Bond Arbitrage Rebate Calculation	ROPS III-13	2,500	-	
23	Villa San Ramon OPA	ROPS III-15	40,980	-	
				<u>\$ 1,641,789</u>	