

CITY OF SAN RAMON

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES ON THE
LOW AND MODERATE INCOME HOUSING FUNDS 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**

October 26, 2012

**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 the Low and Moderate Income Housing Funds 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 (DOF) (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 the Low and Moderate Income Housing Funds 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 the Low and Moderate Income Housing Funds 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 procedure 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 the Low and Moderate Income Housing Funds of the former Agency or as to the appropriateness of the other financial information summarized in Attachments A, B, and C. 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
October 26, 2012

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

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS**

The agreed-upon procedures, as it related to the Low and Moderate Income Housing 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: A listing of all assets transferred from the former Agency to the Successor Agency was obtained. On February 1, 2012, assets of \$14,954,404 in the Low and Moderate Income Housing Fund remained in the same fund in the City of San Ramon’s accounting system, which was renamed to the San Ramon Housing Authority, but subsequently renamed to the San Ramon Successor Agency. The City asserted that the name was changed in error based on the City’s adoption of Resolution 2012-004 in January 2012, which selected the San Ramon Housing Authority to receive the housing assets and functions of the former Agency. However, the City never took formal action transferring the assets of the Low and Moderate Income Housing Fund, and the San Ramon Housing Authority has taken no formal action to receive such assets. The subsequent renaming of the fund to the San Ramon Successor Agency Housing Fund was done to correct the initial decision made by the City on June 5, 2012. In addition, the City is considering selecting itself to serve as the housing successor and deactivating the Housing Authority. Please refer to the asset listing below.

**Low and Moderate Income Housing Fund
List of Assets Transferred**

	February 1, 2012
Cash with fiscal agent (bond proceeds)	\$ 2,557,693
Land held for resale	3,092,668
Advances to other funds - SERAF	3,483,624
Accounts Receivable	1,175
Notes Receivable - Greystone	5,000
Notes Receivable - American Baptist	5,500,000
Notes Receivable - Rehab Loan Program	314,244
Total Assets	\$ 14,954,404

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**
ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS

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

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: No transfers were made during the periods indicated in steps A and B; as such, no legal documentation was obtained.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**
**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS**

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.
 - 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.
 - 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: There were no transfers to other public agencies or private parties from January 1, 2011 through January 3, 2012, or February 1, 2012 through June 30, 2012.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**
ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS

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.
 - 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.

Result: The procedures required by Section 34179.5(c)(4) pertains to the Successor Agency as a whole; these procedures should be addressed in the non-housing due diligence report that is due on December 15, 2012.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**
ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS

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 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.

Result: See Attachment B “Reconciliation Worksheet” for the Low and Moderate Income Housing Funds of the Successor Agency as of June 30, 2012. No exceptions noted as a result of our procedures.

**CITY OF SAN RAMON, SUCCESSOR AGENCY TO THE
SAN RAMON REDEVELOPMENT AGENCY**
ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS

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 \$2,054,828 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
SAN RAMON REDEVELOPMENT AGENCY**
ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS

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.

Result: These procedures were not applicable to the Successor Agency. No legally restricted balances per our review of schedules and inquiries with the Successor Agency.

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: This procedure was not applicable to the Successor Agency. No such other assets were restricted in this fund.

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

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS**

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 assets as of June 30, 2012 that are not liquid or otherwise available for distribution. The assets listed in the above table are housing assets, as that term is defined in the Health and Safety Code Section 34176(e). With the exception of the Notes Receivable related to the Greystone housing development, the assets were listed on the Housing Asset List submitted to the State Department of Finance pursuant to Health and Safety Code Section 34176(a)(2), which the State Department of Finance approved on August 31, 2012; the Notes Receivable related to the Greystone housing development were inadvertently not included on the Housing Asset List and will be listed on a Supplemental Housing Asset List to be submitted to the State Department of Finance. All assets listed in the table below are to be transferred to the housing successor and used in accordance with Health and Safety Code Section 34176(d). Amounts were listed at purchase cost.

**San Ramon Successor Agency
Low and Moderate Income Housing Fund
Listing of Non-Cash Assets**

	June 30, 2012
Land held for resale	\$ 3,092,668
Advances to other funds - SERAF	3,483,624
Accounts Receivable	350
Notes Receivable - Greystone	5,000
Notes Receivable - American Baptist	5,500,000
Notes Receivable - Rehab Loan Program	312,233
Total Assets	\$ 12,393,875

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

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS**

- 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 Redevelopment Agency. No exceptions were noted as a result of our procedures.

- 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: All differences were due to purchases or disposals. The difference in land held for resale of \$820,800 is due to the amount was recorded in the former redevelopment agency's Capital Projects Funds and was transferred to the Low and Moderate Income Housing Fund. The Successor Agency asserted that this asset should have been maintained in the low and moderate income fund as the initial monies to purchase it was from the Low and Moderate Income Fund. As all assets are being transferred to the Successor Agency, there is no additional testing necessary.

**San Ramon Successor Agency
Low and Moderate Income Housing Fund
Listing of Non-Cash Assets**

	Unaudited June 30, 2012	Audited June 30, 2011	Difference
Land held for resale	\$ 3,092,668	\$ 2,271,868	\$ 820,800
Advances to other funds - SERAF	3,483,624	3,483,624	-
Accounts Receivable	350	-	350
Notes Receivable - Greystone	5,000	5,000	-
Notes Receivable - American Baptist	5,500,000	5,500,000	-
Notes Receivable - Rehab Loan Program	312,233	315,938	(3,705)
 Total Assets	 <u>\$ 12,393,875</u>	 <u>\$ 11,576,430</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
SAN RAMON REDEVELOPMENT AGENCY**
ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS

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
SAN RAMON REDEVELOPMENT AGENCY**

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS**

- 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 asset balances 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
SAN RAMON REDEVELOPMENT AGENCY**
**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS**

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: We noted the Successor Agency did not report any cash balances as of June 30, 2012 that needed to be retained to satisfy obligations on the Recognized Obligation Payment Schedule for the period of July 1, 2012 through June 30, 2013.

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

**ATTACHMENT A – AGREED-UPON PROCEDURES AND FINDINGS
LOW AND MODERATE INCOME HOUSING FUNDS**

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 the Low and Moderate Income Housing Funds.

Suggested Procedure(s):

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 – RECONCILIATION WORKSHEET

	Low Mod Housing 12 Months Ended 6/30/2010	Low Mod Housing 12 Months Ended 6/30/2011	Low Mod Housing 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
Assets (modified accrual basis)				
Cash and investments	\$ 724,828	\$ 117,559	\$ -	\$ -
Restricted cash and investments	-	-	2,557,693	2,054,828
Accounts Receivable	-	-	1,175	350
Receivables:				
Notes	6,026,099	5,820,938	5,819,244	5,817,233
Interest	1,370	-	-	-
Advances to other funds	2,888,859	3,483,624	3,483,624	3,483,624
Prepaid and deposits	559	-	-	-
Land held for resale	2,271,868	2,271,868	3,092,668	3,092,668
Total Assets	\$ 11,913,583	\$ 11,693,989	\$ 14,954,404	\$ 14,448,703
Liabilities (modified accrual basis)				
Accounts payable	\$ 83	\$ 28,788	\$ -	\$ 6,864
Accrued payroll	63,264	59,245	-	23,249
Deferred revenue	6,026,099	5,820,938	5,819,244	5,817,233
Total Liabilities	6,089,446	5,908,971	5,819,244	5,847,346
Equity	5,824,137	5,785,018	9,135,160	8,601,357
Total Liabilities and Equity	\$ 11,913,583	\$ 11,693,989	\$ 14,954,404	\$ 14,448,703
Total Revenues	\$ 1,750,584	\$ 1,817,983	\$ 951,608	\$ 9,184
Total Expenditures	(1,331,635)	(1,291,602)	(762,058)	(543,607)
Total Transfers	4,176,691	(565,500)	3,160,592	620
Net Change in Equity	4,595,640	(39,119)	3,350,142	(533,803)
Beginning Equity	1,228,497	5,824,137	5,785,018	9,135,160
Ending Equity	\$ 5,824,137	\$ 5,785,018	\$ 9,135,160	\$ 8,601,357

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

**ATTACHMENT C – LOW AND MODERATE INCOME HOUSING FUNDS
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)	\$	14,448,703
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 (procedure 6)		(2,054,828)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		(12,393,875)
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		-
		<hr style="border: none; border-top: 1px solid black;"/>
Amount to be remitted to county for disbursement to taxing entities	\$	<u><u>-</u></u>