



City of Rohnert Park ♦ 130 Avram Avenue ♦ Rohnert Park, California 94928
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**OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
CITY OF ROHNERT PARK
(Successor Agency of the Former Community Development Commission of the
City of Rohnert Park)**

**SPECIAL MEETING AGENDA
Thursday, January 3, 2013, 9:00 a.m.**

**MEETING LOCATION: CITY HALL - COUNCIL CHAMBER
130 Avram Avenue, Rohnert Park, California**

The Oversight Board welcomes your attendance, interest and participation at its public meetings. Oversight Board agendas and minutes may be viewed at the City of Rohnert Park website at: www.rpcity.org.

PUBLIC HEARINGS

The Oversight Board may discuss and/or take action on any or all of the items listed on this agenda. If you challenge decisions of the Oversight Board or the Successor Agency City of Rohnert Park in court, you may be limited to raising only those issues you or someone else raised at public hearing(s) described in this agenda, or in written correspondence delivered to the Successor Agency City of Rohnert Park, at, or prior to the public hearing(s).

PUBLIC COMMENTS

For public comment on items listed or not listed on the agenda, or on agenda items if unable to speak at the scheduled time (limited to three minutes per appearance and a 30 minute total time limit, or allocation of time based on number of speaker cards submitted)

**PLEASE FILL OUT A SPEAKER CARD PRIOR TO SPEAKING
*SEE NOTE AT THE END OF THIS AGENDA**

Copies of all staff reports and documents subject to disclosure that relate to each item of business referred to on the agenda are available for public inspection before each regularly scheduled Board meeting at City Hall, located at 130 Avram Avenue. Any writings or documents subject to disclosure that are provided to all, or a majority of all, of the members of the Board regarding any item on this agenda after the agenda has been distributed will also be made available for inspection at City Hall during regular business hours.

ANNOUNCEMENT: Please turn off all pagers, cellular telephones and all other communication devices upon entering the Rohnert Park Council Chamber. Use of these devices causes electrical interference with the sound recording and TV broadcast systems.

9:00 AM

1. **CALL TO ORDER / ROLL CALL** (Zane__ Mackenzie__ Babonis__ Calvert__ Jenkins__ Jolley __ Thompson__)

2. **PUBLIC COMMENTS**

Persons wishing to address the Board on any Consent Calendar item or on Successor Agency City of Rohnert Park business not listed on the Agenda may do so at this time. Each speaker will be allotted three minutes. Those wishing to address the Oversight Board on any report item listed on the Agenda should submit a "Speaker Card" to the Clerk of the Board before announcement of that agenda item.

3. **APPROVAL OF MINUTES**

A. Special meeting of Oversight Board for Successor Agency City of Rohnert Park held on October 10, 2012

4. **MEETING ITEMS**

A. Public Comments on the Due Diligence Review of All Other Funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund)

1. Staff Report
2. Public Comments
3. Board Discussion

5. **NEW MATTERS FOR FUTURE CONSIDERATION**

6. **PUBLIC COMMENT ON NON-AGENDA ITEMS**

Members of the public may address the Oversight Board on matters that are within the Oversight Board's jurisdiction and not on today's calendar. Each speaker shall have up to three minutes to make pertinent public comments unless the Oversight Board adopts a shorter period. It is strongly recommended that members of the public who wish to address the Oversight Board should fill out a "Speaker Card" provided by the Clerk, and submit the completed card to the Clerk.

7. **ADJOURNMENT**

DISABLED ACCOMMODATION

If you have a disability which requires an interpreter or other person to assist you while attending this Board meeting, please contact the Clerk of the Board at (707) 588-2205 at least 72 hours prior to the meeting to ensure arrangements for accommodation by the City. Please notify the Clerk's Office as soon as possible if you have a visual impairment requiring meeting materials to be produced in another format (Braille, audio-tape, etc.)



DRAFT

**MINUTES OF THE SPECIAL MEETING
OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY CITY OF ROHNERT PARK
Wednesday, October 10, 2012
Rohnert Park City Hall, Council Chambers
130 Avram Avenue, Rohnert Park, California**

1. CALL TO ORDER

The special meeting of the Oversight Board to the Successor Agency City of Rohnert Park was called to order by Vice Chair Jake Mackenzie at 2:32 PM on October 10, 2012 in the Council Chambers, Rohnert Park City Hall, 130 Avram Avenue, Rohnert Park, California.

Present: Jake Mackenzie, Vice Chair
Linda Babonis, Board Member
Denise Calvert, Board Member
Darrin Jenkins, Board Member
Kate Jolley, Board Member
Mike Thompson, Board Member

Absent: Shirlee Zane, Chair (2:34 PM arrival)

Staff present: City Manager Gabriel Gonzalez; Clerk of the Board Eydie Tacata; Finance Director Cathy Orme; Oversight Board Counsel Betsy Strauss

2. PUBLIC COMMENTS

There were no comments from the public.

3. APPROVAL OF MINUTES

Vice Chair Mackenzie announced the item.

ACTION: Moved/seconded (Babonis/Thompson) and carried (4-0 vote, 2 abstained, 1 absent) to approve minutes of the meeting of October 3, 2012.

4. MEETING ITEMS

A. Due Diligence Review of the Low and Moderate Income Housing Fund

Vice Chair Mackenzie announced the item. City Manager Gonzalez gave the staff report, pointing out the additional information provided in the packet with additional detail as requested by the Oversight Board at the October 3, 2012 meeting. He reported that there were no changes to the Due Diligence Report since the meeting of October 3, 2012.

Chair Zane arrived at the meeting (2:34 PM).

ACTION: Moved/seconded (Mackenzie/Babonis) and unanimously carried to adopt Resolution No. OSB 2012-09 A Resolution of the Oversight Board for the Successor Agency City of Rohnert Park Approving the Due Diligence Review of the Low And Moderate Income Housing Fund Pursuant to Section 34179.5 of the California Health and Safety Code

5. NEW MATTERS FOR FUTURE CONSIDERATION

There were no new matters.

6. PUBLIC COMMENT ON NON-AGENDA ITEMS

There were no comments from the public.

7. ADJOURNMENT

ACTION: The Board members concurred to adjourn the meeting at 2:37 PM

Eydie Tacata, Clerk of the Board
Successor Agency City of Rohnert Park

Shirlee Zane, Chair
Oversight Board for the Successor Agency of
Rohnert Park



Mission Statement

"We Care for Our Residents by Working Together to Build a Better Community for Today and Tomorrow."

**CITY OF ROHNERT PARK
OVERSIGHT BOARD AGENDA**

Meeting Date: January 3, 2013
Submitted By: Gabriel A. Gonzalez, City Manager
Prepared By: Cathy Orme, Finance Director
Agenda Title: **Public Comments on the Due Diligence Review of All Other Funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund)**

RECOMMENDED ACTION:

Receive comments at a public comment session on the Due Diligence Review of All Other Funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund), attached as "Independent Accountants' Report on Applying Agreed-Upon Procedures pursuant to AB 1484 (All Other Funds)" provided by Vavrinek, Trine, Day & Company, LLP (VTD) for the Successor Agency City of Rohnert Park.

BACKGROUND:

Health and Safety Code §34179.5 requires the Successor Agency to conduct a due diligence review of All Other Funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) to determine unobligated balances available for transfer to taxing entities. The Successor Agency engaged VTD, a licensed accountant firm approved by the County Auditor-Controller, to perform Agreed-Upon Procedures and produce the attached Due Diligence Review entitled "Independent Accountants' Report on Applying Agreed-Upon Procedures pursuant to AB 1484 (All Other Funds)."

Health and Safety Code §34179.5 requires the Due Diligence Review to be approved by the Oversight Board and then transmitted to the County Auditor-Controller, the State Controller, and State Department of Finance by January 15, 2013. Prior to the Oversight Board approval of the review, a public session must be convened to receive comments at least five business days before Oversight Board approval. This Special Meeting of the Oversight Board on January 3, 2013 includes a public session to receive comments on the Due Diligence Review. A subsequent Special Meeting is scheduled for January 10, 2013 for the Oversight Board approval of the due diligence review.

DISCUSSION:

VTD provided attached Due Diligence Review, which lists all encumbered and unencumbered fund assets and states whether or not those assets are encumbered by Enforceable Obligations. The amount shown in the Due Diligence Review to be remitted to the County for disbursement to taxing entities is (\$1,540,190).

City Manager Approval Date: 12/27/12

City Attorney Approval Date: 12/28/12

Attachments: Draft Independent Accountants' Report on Applying Agreed-Upon Procedures pursuant to AB 1484 – Other Funds ("Due Diligence Review")

**Successor Agency to the Community Development
Commission of the City of Rohnert Park**

**Independent Accountants' Report on Applying
Agreed-Upon Procedures pursuant to
AB 1484 (All Other Funds)**

June 30, 2012

DRAFT



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Oversight Board of the
Successor Agency to the Community Development
Commission of the City of Rohnert Park
City of Rohnert Park, California

We have performed the Agreed-Upon Procedures enumerated in Exhibit A, which were agreed to by the California State Controller's Office, the California Department of Finance, the County Auditor-Controller, and the Successor Agency to the Community Development Commission of the City of Rohnert Park to determine the Successor Agency All Other Fund's unobligated balances that are available for transfer to taxing entities, solely to assist you in ensuring that the Successor Agency is complying with its statutory requirements with respect to *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 34179.5. 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.

Exhibit A, B, and Exhibits C through C-5 identify the procedures and findings.

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 in Exhibit A, B and Exhibits C through C-5. 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 Successor Agency Oversight Board, the Successor Agency, the California State Controller's Office, the California Department of Finance, the County Auditor-Controller, 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.

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California
December 24, 2012

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF ROHNERT PARK**

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Our procedures and findings are as follows:

A. All Other Funds of the Successor Agency

For each Successor Agency fund, (excluding the Low and Moderate Income Housing Fund) the following procedures were performed:

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency (RDA) 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.

Findings – We obtained 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. We agreed the amounts on this listing to account balances established in the accounting records of the Successor Agency noting the total balance of all assets that were transferred to the Successor Agency on February 1, 2012, was \$47,873,164, and consisted of cash and cash equivalents, restricted cash and investments, advances due from the City of Rohnert Park, and capital assets.

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.
 - 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.

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- 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.

Findings – The Successor Agency asserted the State Controller's Office has not indicated to the Successor Agency that they have completed a review of transfers required under both Sections 34167.5 and 34178.8.

A listing of the transfers for the period January 1, 2011 through June 30, 2012 is included as Exhibit C of the AUP report. We noted the \$48,218,956 of assets transferred to the City included cash and cash equivalents, restricted cash and investments, advances due from the City of Rohnert Park, and capital assets. These assets were subsequently transferred to the Successor Agency on February 1, 2012.

The Successor Agency asserted no transfers were made from the Successor Agency to the City for the period from February 1, 2012 through June 30, 2012.

- 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.
 - 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.
 - 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.

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Findings – The Successor Agency asserted the State Controller's Office has not indicated to the Successor Agency that they have completed a review of transfers required under both Sections 34167.5 and 34178.8. The Successor Agency also asserted no transfers were made from the former redevelopment agency or the Successor Agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012, and the period February 1, 2012 through June 30, 2012, respectively.

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.

Findings – We obtained from the Successor Agency a summary of the financial transactions. We determined through recalculation that the total revenues, expenditures, and transfers fully accounts for the changes in equity from the previous fiscal periods. The amounts in the schedule for June 30, 2010 were agreed to the State Controllers Annual Financial Transactions filed by the Redevelopment Agency noting no exceptions. We agreed the fiscal year ended June 30, 2011 balances per the schedule to the Redevelopment Agency's audited financial statements and agreed the periods ended January 31, 2012 and June 30, 2012 balances to the accounting records of the former Redevelopment Agency and the Successor Agency, respectively, noting no exceptions. The summary of financial transactions is included in Exhibit B of the AUP report.

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5. Obtain from the Successor Agency a listing of all assets of other funds 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 All Other Successor Agency Funds, the schedule attached as an exhibit will include only those assets of the All Other Assets Funds 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 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.

Findings – For the Successor Agency All Other Funds, we agreed the assets listed to the recorded balances reflected in the Successor Agency's accounting records. We noted the asset balance of the Successor Agency All Other Funds as of June 30, 2012 was \$43,607,764. See Exhibit C-1 for the listing of these assets.

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.
 - 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.

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- C. Other assets considered to be legally restricted:
- i. 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.
- 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.

Findings - The Successor Agency asserted that assets totaling \$9,287,422 were restricted as the assets unspent bond proceeds. For the unspent bond proceeds, we traced the balances to the fiscal agent bank statements without exception. We obtained copies of the official statements relating to the bond issues noted at Exhibit C-2, noting that the bonds were issued to finance redevelopment projects in or for the benefit of the Redevelopment project areas.

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.
 - 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.
 - 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.

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- 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.

Findings – The Successor Agency asserted that the Successor Agency All Other Funds had capital assets and long term receivables that are considered non-liquid assets. These assets are recorded at cost and have a total book value of \$30,610,480. Capital assets with a net book value of \$20,266,255 consisted of land, buildings, and improvements net of accumulated depreciation. Long-term receivables consisted of advances receivable from the City of Rohnert Park issued by the former RDA with a book value of \$10,344,225. We traced all of the non-liquid assets to the Successor Agency accounting records noting no differences. A listing of the non-liquid assets is included in Exhibit C-3.

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 (ROPS) 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.
 - 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.

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- 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.

Findings – The Successor Agency asserted that no asset balances need to be retained to satisfy enforceable obligations under step 8. Therefore, we did not perform the procedures in step 8.

- 9. If the Successor Agency believes that cash balances as of June 30, 2012, need to be retained to satisfy obligations on the 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.

Findings – The Successor Agency asserted that the Successor Agency All Other Funds that cash balances in the amount of \$2,715,897 as of June 30, 2012, need to be retained to satisfy enforceable obligation on the ROPS for the period of July 1, 2012 through December 31, 2012. The cash balance will be retained to fund enforceable obligations. A schedule of the asset balances retained is at Exhibit C-4.

- 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

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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).

Findings – The Successor Agency prepared a schedule detailing the computation of the Summary of Balances Available for Allocation to Affected Taxing Entities. (See Exhibit C-5.)

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 341795) 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.

Findings - We have obtained management's written representations acknowledging their responsibility as outlined in procedure #11.

**Successor Agency to the Community Development Commission
of the City of Rohnert Park
Summary of Financial Transactions**

Exhibit B

	Redevelopment Agency 12 Months Ended 6/30/2010 Modified Accrual	Redevelopment Agency 12 Months Ended 6/30/2011 Modified Accrual	Unaudited Redevelopment Agency 7 Months Ended 1/31/2012 Modified Accrual	Successor Agency 5 Months Ended 6/30/2012 Full Accrual
Assets				
Cash & investments	\$ 2,034,935	\$ 3,905,037	\$ 6,320,548	\$ 3,134,901
Receivables net:	-	-	-	-
Taxes	44,657	-	-	-
Accounts	504,930	-	-	-
Accrued interest	6,582	7,064	-	87
Due from other funds	14,627	14,627	-	9,862,296
Prepaid items and other assets	-	-	-	-
Restricted cash & investments	22,850,703	22,250,440	23,731,443	-
Loans & Notes receivable, net	9,092,186	9,459,392	9,934,040	-
Advances due from the City of Rohnert Park	10,344,225	10,344,225	10,344,225	10,344,225
Non current assets	-	-	-	-
Capital asset:	-	-	-	-
Land	-	-	-	4,934,147
Building & Improvements	-	-	-	29,848,803
Construction in Progress	-	-	-	805,264
Accumulated Depreciation	-	-	-	(15,321,959)
Total Assets	<u>\$ 44,892,845</u>	<u>\$ 45,980,785</u>	<u>\$ 50,330,256</u>	<u>\$ 43,607,764</u>
Liabilities				
Accounts Payable	\$ 168,121	\$ 224,344	\$ -	\$ 1,782,661
Accrued liabilities	-	-	-	-
Due to other funds	25,465	23,317	320,594	8,186
Deposits	-	-	1,668,467	-
Deferred revenue	980,802	837,979	150,000	-
Advances from other funds	-	-	-	-
Non current liabilities	-	-	-	-
Bond payable	-	-	-	65,095,538
Total Liabilities	<u>1,174,388</u>	<u>1,085,640</u>	<u>2,139,061</u>	<u>66,886,385</u>
Equity	<u>43,718,457</u>	<u>44,895,145</u>	<u>48,191,195</u>	<u>(23,278,621)</u>
Total Liabilities + Equity	<u>\$ 44,892,845</u>	<u>\$ 45,980,785</u>	<u>\$ 50,330,256</u>	<u>\$ 43,607,764</u>
Total Revenues:	<u>\$ 15,209,075</u>	<u>\$ 14,586,033</u>	<u>\$ 13,936,769</u>	<u>\$ 100,653</u>
Total Expenditures:	<u>32,719,172</u>	<u>13,409,346</u>	<u>10,640,719</u>	<u>4,454,056</u>
Extraordinary gain (loss) on dissolution of RDA:				<u>(18,925,218)</u>
Total Transfers:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in equity	<u>(17,510,097)</u>	<u>1,176,687</u>	<u>3,296,050</u>	<u>(23,278,621)</u>
Beginning Equity:	<u>61,228,555</u>	<u>43,718,458</u>	<u>44,895,145</u>	<u>-</u>
Ending Equity:	<u>\$ 43,718,458</u>	<u>\$ 44,895,145</u>	<u>\$ 48,191,195</u>	<u>\$ (23,278,621)</u>

Other Information (show year end balances for all years \ periods presented):

(Continued from previous page)

Exhibit B (Continued)

Other Information (show year end balances for all years \ periods presented):

Capital assets as of end of year

Land	\$ 9,282,145	\$ -	\$ 9,282,145	\$ 4,934,147
Buildings & Improvements	27,198,995	28,579,721	31,666,812	29,848,803
Equipment	805,264	805,264	805,264	805,264
Construction in Progress	4,606,469	320,708	320,708	-
Accumulated Depreciation	(13,087,105)	(13,196,918)	(14,129,886)	(15,321,959)
	<u>\$ 28,805,768</u>	<u>\$ 16,508,775</u>	<u>\$ 27,945,043</u>	<u>\$ 20,266,255</u>

Long-term debt as of end of year

Loan from City of Rohnert Park	\$ 2,158,000	\$ 2,075,000	\$ 2,075,000	\$ 2,075,000
2003 Loan RPFA	4,752,000	4,513,500	4,270,500	4,270,500
1991 Tax Allocation Refunding Bonds	1,035,326	534,387	-	-
1999 Tax Allocation Bonds	14,987,973	15,501,743	15,715,038	15,715,038
2001 Tax Allocation Bonds	6,735,000	6,665,000	6,595,000	6,595,000
2007 Tax Allocation Bonds:				
Redevelopment Project	20,395,000	20,395,000	20,395,000	20,395,000
Housing	16,360,000	16,205,000	16,045,000	16,045,000
	<u>\$ 66,423,299</u>	<u>\$ 65,889,630</u>	<u>\$ 65,095,538</u>	<u>\$ 65,095,538</u>

Successor Agency to the Community Development Commission
of the City of Rohnert Park

Exhibit C

All Other Funds

Schedule of Asset Transfers to the City, County, or City and County, and Other Public Agencies or Private Parties

DATE OF TRANSFER	DESCRIPTION OF ASSETS	RECIPIENT	\$ VALUE OF ASSETS TRANSFERRED	\$ VALUE OF ASSETS NOT SUPPORTED	PURPOSE OF TRANSFER	SOURCE DOC BASIS FOR TRANSFER
<i>Period of Jan 1, 2011 through Jan 31, 2012</i>						
1/1/2012	Cash and investments	City	\$ 6,320,548		City retains former RDA other assets	Resolution 2012-10
	Restricted cash & investment	City	10,206,827		City retains former RDA other assets	Resolution 2012-11
	Advances to other funds	City	10,344,225		City retains former RDA other assets	Resolution 2012-12
	Capital Assets	City	21,347,356		City retains former RDA other assets	Resolution 2012-13
<i>Period of Feb 1, 2012</i>						
None						
	TOTAL		\$ 48,218,956	\$ -		

**Successor Agency to the Community Development Commission
of the City of Rohnert Park**

Exhibit C-1

**All Other Funds - Listing of Assets
As of June 30, 2012 - Unaudited**

Note: Excludes all assets held by the entity that assumed the housing function of the former RDA

Assets

Cash and investments

912-101-0011	Cash from Prop Tax Incr	\$	2,768,782
912-101-0030	Interest F/Bond Proceed		53,487
912-101-0032	Other Cash (non-Bonds)		422
912-0001-101-0011	LAIF CDC		42,262
912-0003-101-0011	CD Investment		199,000
912-0004-101-0011	SCIP CDC Savings		23,056
912-0009-101-0011	Exchange Bank Savings		47,891

Total 3,134,900

Interest receivable

912-115-1149	Interest Receivable		87
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Total 87

Cash/investments w/ Fiscal Agent

912-101-0034	Interest from Increment		574,873
912-103-0003	CDC Bond Proceeds-CWFA		627,404
912-103-0004	2007R TABs Redevelopment CWFA		5,693,178
952-103-0018	Reserve Fund CWFA		1,092,565
952-103-0019	RsvFnd-CD Investments-CWFA		667,000
953-101-0001	Cash		1,207,276
954-103-0001	CWFA 2007-R TABs		1

Total 9,862,297

Other (break-out / delineate as appropriate)

912-130-1300/1301	Due from the City of Rohnert Park		10,344,225
930-9100 to 9700	Capital Assets		20,266,255

Total 30,610,480

TOTAL ASSETS AT 6/30/2012: \$ 43,607,764

Successor Agency to the Community Development Commission
of the City of Rohnert Park

Exhibit C-2

All Other Funds
Legally Restricted Amounts

ITEM	DESCRIPTION	ACCOUNT	AMOUNT	PURPOSE/DOC SOURCE/LEGAL DOCUMENT	PERIOD OF RESTRICTION
A	Unspent Bond Proceeds				
	a CDC Bond Proceeds-CWFA	912-103-0003	\$ 627,404	Bond proceeds restricted for public improvements including streets, landscaping, signage, infrastructure and traffic circulation.	Through 2038 or when debt is retired
	b 2007R TABs Redevelopment CWFA	912-103-0004	5,693,178	Bond proceeds restricted for public improvements including streets, landscaping, signage, infrastructure and traffic circulation.	Through 2038 or when debt is retired
	c Reserve Fund CWFA		1,092,565	Bond covenant reserves required	Through 2036 or when debt is retired
	RsvFnd-CD Investments-CWFA		667,000	Bond covenant reserves required	Through 2036 or when debt is retired
	2007R TABs Redevelopment		1,207,275	Restricted for debt service	Through 2016 or when debt is retired
B	Grant proceeds and program income		-		
C	Other assets		-		
	Total		<u>\$ 9,287,422</u>		

Successor Agency to the Community Development Commission
of the City of Rohnert Park

Exhibit C-3

All Other Funds

Non Liquid Assets - All Other Funds

ITEM	DESCRIPTION	GL ACCT NO	AMOUNT	VALUE METHOD (COST OR MARKET)
A	Capital Assets			
a	Land	930-9100	\$ 4,934,147	Cost
b	Buildigs and improvements	930-9200 to 9300	29,848,803	Cost
c	Equipment	930-9500 to 9800	805,264	Cost
d	Accumulated depreciation	930-169-1690	(15,321,959)	Cost
B	Land Held for Resale		-	
C	Long Term Receivables			
	Advances to City of Rohnert Park - Hazel wetlands preserve	912-130-1300	288,500	Cost
	Advances to City of Rohnert Park - Eastside Sewer Main Project	912-130-1301	10,055,725	Cost
	Total		<u>\$ 30,610,480</u>	

Successor Agency to the Community Development Commission
of the City of Rohnert Park

Exhibit C-4

All Other Funds

June 30, 2012 Cash Balances Needed to Satisfy Obligations for the 2012/2013 FINAL ROPS

ITEM	PROJECT NAME	ROPS LINE ITEM	APPROVED OBLIGATION AMOUNT	EXISTING CASH NEEDED TO SATISFY OBLIGATION	SUCCESSOR AGENCY EXPLANATION
<i>Note: List only those obligations for which current balances are needed to satisfy obligations that will be placed on the ROPS for the 2012/13 fiscal year</i>					
1	1999 Tax Allocation Bonds	1	\$ 395,000	\$ 395,000	Bond debtg service payments
2	2001 Tax Allocation Bonds	2	812,234	968,268	Bond debtg service payments
3	2007R Tax Allocation Bonds	3	486,960	486,960	Bond debtg service payments
4	2007H Tax Allocation Bonds	4	510,791	510,791	Bond debtg service payments
5	2003 LRRB's 90% Paid by CDC	5	343,455	343,455	Bond debtg service payments
6	Fund Contribution	7	11,424	11,424	Lease agreement w/CourseCo Golf Course CIP fund
			<u>\$ 2,559,864</u>	<u>\$ 2,715,897</u>	

All Other Funds
Summary of Balances Available for Allocation to Affected Taxing Entities

Exhibit C-6

		<u>Reference:</u>
Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$ 43,607,763	Exhibit C-1
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)	-	Exhibit C
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	(9,287,422)	Exhibit C-2
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(30,610,480)	Exhibit C-3
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)	-	Exhibit C-4
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	(2,715,897)	Exhibit C-5
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	<u>(2,534,153)</u>	
Amount to be remitted to county for disbursement to taxing entities	<u>\$ (1,540,190)</u>	

Note:

The negative remittance is a result of the City using reserves and bond proceeds. The City of Rohnert Park received 100% of tax increment as of December 2011. No other payments have been remitted to the City. This required the City to use bond proceeds to cover a bond payment and to be able to pay the requested amount to DOF of \$2,534,153. The calculation for the \$2.5M was overstated and ultimately the City of Rohnert Park was overcharged.