

CITY OF DINUBA

REDEVELOPMENT AGENCY
LOW & MODERATE INCOME HOUSING FUND
SUCCESSOR AGENCY

JUNE 30, 2012

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October 23, 2012

Oversight Board of the Successor Agency
For the City of Dinuba
Dinuba, California

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

We have performed the minimum required agreed-upon procedures enumerated in California's Health and Safety Code Section 34179.5(c) for the Redevelopment Agency Low & Moderate Income Housing Fund for the Successor Agency, solely to assist you in determining the amount to be remitted to the County for disbursement to affected taxing entities. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A. The results of the procedures performed are also listed under each related testing step in Attachment A.

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 Attachment A. 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 uses of the Oversight Board of the Successor Agency of the City, County Auditor Controller, State of California Department of Finance and/or other regulatory agencies, 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.

Sampson, Sampson & Patterson, LLP

ATTACHMENT A – AGREED UPON PROCEDURES ENGAGEMENT
FOR LOW & MODERATE INCOME HOUSING FUND
PROCEDURES ASSOCIATED WITH SECTIONS 34179.5(c)(1)
THROUGH 34179.5(c)(3) AND SECTIONS 34179.5(c)(5) THROUGH 34179.5(c)(6)

CITY OF DINUBA

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.

- (1) Procedures: We obtained the January 31, 2012 trial balance and the June 30, 2012 trial balance and reconciled the closing balances as of January 31, 2012 with the opening balances of the Successor Agency Low & Moderate Income Housing Fund as of February 1, 2012. The amount of the assets transferred to the Successor Agency Low and Moderate Fund as of February 1, 2012 was \$4,269,559.

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.

- (2) Procedures: There were no transfers of cash and cash equivalents or other assets transferred after January 1, 2011 through June 30, 2012 from the Low & Moderate Income Housing Fund or the Successor Agency Housing Fund to the City of Dinuba, which formed the Redevelopment Agency.

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 Low & Moderate Income Housing Fund 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.

- (3) Procedure: There were no transfers of cash or cash equivalents transferred after January 1, 2011 through June 30, 2012 by the Redevelopment Agency Low & Moderate Income Housing Fund or the Successor Agency Housing Fund to any other public agency or private party.

CITATION: 34179.5(c)(4)

The review shall provide expenditures 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.

- (4) Procedure: The procedures required by Section 34179.5(c)(4) pertain to the Successor Agency as a whole. These procedures will be addressed in the report that is due on December 15, 2012. However, we did verify that the amounts for the Low & Moderate Income Housing Fund listed in the State Controller Report for the 2009-10 fiscal year agreed to the audited financial statements for that year.

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(continued)

CITATION: 34179.5(c)(5)

A separate accounting for the balance for the Low & Moderate Income Housing Fund shall be made as follows:

- (A) A statement of the total value of the fund as of June 30, 2012.
- (5) Procedure: A listing of the Assets, Liabilities, Revenues and Expenses of the Low & Moderate Income Housing Fund Successor Agency as of June 30, 2012 accompanies this report – see Attachment B.

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 proceeds of any bonds, grant funds, or funds provided by other government entities that place conditions on their use.

- (6) Procedure: We obtained from the Successor Agency for the Low & Moderate Income Housing Fund a listing of asset balances held on June 30, 2012. There are no amounts on the listing of asset balances that are legally restricted.

CITATION: 34179.5(c)(5)C

An itemized statement of the values of any assets that are not cash or cash equivalents.

- (7) Procedure: As of June 30, 2012 assets consisted of advances to other Successor Agency Funds (\$3,769,767); advances to the City of Dinuba (\$287,542); and Notes Receivable (\$85,050). These assets are long-term in nature and are stated at book value.

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 any enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligations. 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.

- (8) Procedure: Asset balances from the Successor Agency Low & Moderate Income Housing Fund are not needed to satisfy enforceable obligations as of June 30, 2012.

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.

- (9) Procedure: There are no cash balances in the Successor Agency low and moderate fund at June 30, 2012.

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(continued)

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 the transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6.

- (10) Procedure: A schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities has been included with this report.

ATTACHMENT B – DINUBA SUCCESSOR AGENCY LOW & MODERATE INCOME
HOUSING FUND LISTING OF ASSETS, LIABILITIES, REVENUES, EXPENSES, AND CHANGES
IN EQUITY FOR THE FIVE MONTHS ENDED JUNE 30, 2012

DINUBA SUCCESSOR AGENCY LOW & MODERATE INCOME HOUSING FUND
LISTING OF ASSETS, LIABILITIES, REVENUES,
EXPENSES AND CHANGES IN EQUITY

	Successor Agency Low & Moderate Income Housing Fund 5 Months Ended <u>6/30/2012</u>
Assets (modified accrual basis)	
Notes receivable	\$ 85,050
Advances to other funds	<u>4,057,309</u>
Total Assets	<u>\$4,142,359</u>
Liabilities (modified accrual basis)	
Due to the City of Dinuba	\$ 28,856
Accounts payable	57,690
Deferred revenue	85,050
Interest payable	<u>56</u>
Total Liabilities	<u>\$ 171,652</u>
Equity	<u>3,970,707</u>
Total Liabilities + Equity	<u>\$4,142,359</u>
Total Revenues:	<u>\$ 151,101</u>
Total Expenditures:	<u>\$ (237,703)</u>
Total Transfers:	<u>\$ 0</u>
Net Change in Equity	<u>\$ (86,602)</u>
Beginning Equity:	<u>\$4,057,309</u>
Ending Equity	<u>\$3,970,707</u>

ATTACHMENT C – SUMMARY OF BALANCES AVAILABLE
FOR ALLOCATION TO AFFECTED TAXING ENTITIES

CITY OF DINUBA

JUNE 30, 2012

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$4,142,359
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)	0
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	0
Less assets that are not cash or cash equivalents (e.g., physical assets) – (procedure 7)	4,142,359
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)	0
Less balances needed to satisfy ROPS for the 2012-2013 fiscal year (procedure 9)	0
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	<u>0</u>
Amount to be remitted to county for disbursement to taxing entities	<u>\$ 0</u>