

**OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF
THE CORCORAN REDEVELOPMENT AGENCY
AGENDA**

**City Council Chambers
1015 Chittenden Avenue
Corcoran, CA 93212**

**Monday, January 14, 2013
4:00 P.M.**

Public Inspection: A detailed Oversight Board packet is available for review at the City Clerk's Office, located at Corcoran City Hall, 832 Whitley Avenue.

Notice of ADA Compliance: In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the City Clerks Office at (559) 992-2151 ext. 235.

Public Comment: Members of the audience may address the Oversight Board on non-agenda items; However, in accordance with government code section 54954.2, the Oversight Board may not (except in very specific instances) take action on an item not appearing on the posted agenda.

This is the time for members of the public to comment on any matter within the jurisdiction of the Oversight Board. The board members ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome.

After receiving recognition from the chair, speakers shall walk to the rostrum, state their name and address and proceed with comments. Each speaker will be limited to five (5) minutes.

ROLL CALL

City of Corcoran:	Raymond Lerma
City of Corcoran:	Joyce Venegas
Kings County Board of Supervisors:	Richard Valle
Kings County Public Appointment:	Sid Palmerin
County Superintendent of Schools:	Steve Corl
Corcoran District Hospital:	Mike Graville
College of the Sequoias:	Kristin Hollabaugh

FLAG SALUTE

1. **PUBLIC DISCUSSION**

2. **APPROVAL OF MINUTES** – Minutes from Regular Meeting of January 3, 2013.

3. **STAFF REPORTS**

3-A. Approval of Due Diligence Review of all other funds of the Successor Agency Combined (excluding the Low and Moderate Income Housing Funds). (Meik)

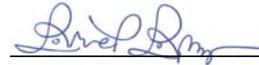
1) Continue Public Comment Period for Due Diligence Review Pursuant to California Health and Safety Code section 34179.5.

2) Consider Resolution No. 13-01 approving Due Diligence Review. (VV)

4. **INFORMATION ITEMS**

ADJOURNMENT:

I certify that I caused this Agenda of the Oversight Board for the Successor Agency of the Corcoran Redevelopment Agency meeting to be posted at the City Council Chambers, 1015 Chittenden Avenue on January 10, 2013



Lorraine Lopez, City Clerk

MINUTES
CORCORAN OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE
CORCORAN REDEVELOPMENT AGENCY
REGULAR MEETING
January 3, 2013

The regular session of the Oversight Board for the Successor Agency of the Corcoran Redevelopment Agency was called to order by Vice-Chair Venegas, in the City Council Chambers, 1015 Chittenden Avenue, Corcoran, CA at 4:00 P.M.

ROLL CALL

Board members present: Steve Corl, Mike Graville, Sidonio Palmerin, Richard Valle, and Joyce Venegas

Board members absent: Kristin Hollabaugh and Raymond Lerma

Staff present: Lorraine Lopez and Kindon Meik

Press present: None

FLAG SALUTE

The flag salute was led by Board member Graville.

1. PUBLIC DISCUSSION

Gilbert Felix, representative for Assemblymember Rudy Salas, introduced himself as the liason to attend city meetings.

2. STAFF REPORTS

2-A. Meik provided information regarding the Due Diligence Review (Other funds) pursuant to California Health and Safety Code section 34179.5. The public comment period was opened and there were no oral or written comments received. Following commission discussion a motion was made by Graville and seconded by Valle to continue the comment period to January 14, 2013 at 4:00 p.m.

3. ADJOURNMENT

4:20 P.M.

Secretary

Chair

APPROVED DATE: _____

City of

CORCORAN

A MUNICIPAL CORPORATION

FOUNDED 1914

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN that the Corcoran Oversight Board will hold a public meeting on Thursday, January 3, 2013 at 4:00 P.M., and Monday, January 14, 2013 at 4:00 P.M., or soon thereafter, in the City Council Chambers, 1015 Chittenden Avenue, Corcoran, CA, to receive testimony regarding the Due Diligence Review of all other funds of the Successor Agency Combined (excluding the Low and Moderate Income Housing Funds) as required by AB 1484.

More detailed information regarding the City's [Due Diligence Review](#) may be obtained at City Hall and interested persons may submit written comments addressed to the Successor Agency Director of the City of Corcoran, 832 Whitley Avenue, Corcoran, CA 93212, prior to the hour of 4:00 P.M. on January 14, 2013.

All persons in favor of, opposed to or in any manner interested in the requests are invited to forward written comments to the City Clerk, City Hall, 832 Whitley Avenue, Corcoran, CA 93212.

If you plan to attend the public meeting and need a special accommodation because of a sensory or mobility impairment/disability, please call Lorraine Lopez (559) 992-2151 (Ext. 235) to arrange for those accommodations to be made.

All interested persons may appear to present testimony at the meeting. If you challenge any action or decision regarding the subject of the public meeting described in this notice in court, you may be limited to raising only those issues you or someone else raised at the public meeting described in this notice, or in written correspondence delivered to the Corcoran Oversight Board at, or prior to, the public meetings.

At the time and place noted above all persons interested in the above matter may appear and be heard.

Dated: December 17, 2012



Lorraine P. Lopez, City Clerk
Corcoran Oversight Board Secretary

Publish: December 20, 2012, "The Corcoran Journal"

CITY OFFICES:

832 Chittenden Avenue * Corcoran, CA 93212 * Phone 559-992-2151 * www.cityofcorcoran.com

**AGREED-UPON PROCEDURES ENGAGEMENT
PURSUANT TO HEALTH AND SAFETY CODE
SECTION 34179.5 REVIEW OF
ALL OTHER FUNDS OF THE
SUCCESSOR AGENCY COMBINED
(EXCLUDING THE LOW AND MODERATE
INCOME HOUSING FUND)**

**SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY OF THE CITY OF CORCORAN**

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Oversight Board of the
Successor Agency of the Redevelopment Agency
of the City of Corcoran
Corcoran, California

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

We have performed the minimum required agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, Department of Finance, and the Successor Agency of the Redevelopment Agency of the City of Corcoran, solely to assist you in ensuring that the Successor Agency is complying with 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 Sections 34179.5(c)(1) through 34179.5(c)(6). 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.

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 as to the appropriateness of the results summarized in Attachment A. Accordingly, we do not express 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 Oversight Board of the Successor Agency of the Redevelopment Agency of the City of Corcoran, management of the Successor Agency of the Redevelopment Agency of the City of Corcoran, the County Auditor-Controller, 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 distribution of this report, which is a matter of public record.

Price Paige & Company

Clovis, California
December 13, 2012

Attachment A

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code
Section 34179.5 Review of All Other
Funds of the Successor Agency Combined
(Excluding the Low and Moderate Income Housing Fund)**

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code Section 34179.5 Review of
All Other Funds of the Successor Agency Combined
(Excluding Low and Moderate Income Housing Fund)**

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. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the successor agency as of that date.

Conclusion: We have agreed the amounts on the asset listing to account balances established in the accounting records of the successor agency and noted no differences. Refer to Attachment B for a listing of all assets at their recorded book value that were transferred from the former redevelopment agency to the successor agency as of February 1, 2012.

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:

Conclusion: The State Controller's Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8 and has not issued its report regarding such review.

- 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.

Conclusion: Refer to Attachment C for listing of transfers (excluding payments for goods and services) from the former redevelopment agency to the City of Corcoran that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012.

- 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.

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code Section 34179.5 Review of
All Other Funds of the Successor Agency Combined
(Excluding Low and Moderate Income Housing Fund)**

Conclusion: Refer to Attachment C for listing of transfers (excluding payments for goods and services) from the successor agency to the City of Corcoran that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012.

- 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.

Conclusion: For each transfer, we have verified the legal document or other legal requirement that formed the basis for the enforceable obligation that required the transfer.

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:

Conclusion: The State Controller's Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8 and has not issued its report regarding such review.

- 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.

Conclusion: Refer to Attachment D for listing 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.

- 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.

Conclusion: Refer to Attachment D for listing 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.

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code Section 34179.5 Review of
All Other Funds of the Successor Agency Combined
(Excluding Low and Moderate Income Housing Fund)**

- 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.

Conclusion: For each transfer, we have verified the legal document or other legal requirement that formed the basis for the enforceable obligation that required the transfer.

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.

Conclusion: We have obtained from the successor agency a summary of the financial transactions of the redevelopment agency and the successor agency. Refer to Attachment E for a copy of the summary of the financial transactions.

- 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.

Conclusion: We have ascertained that for each period presented in the summary of the financial transactions, 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 ending June 30, 2010 to the State Controller's Report filed for the redevelopment agency for that period.

Conclusion: We have compared amounts in the schedule relevant to the fiscal year ending June 30, 2010 to the State Controller's Report filed for the redevelopment agency for that period and noted the following differences:

- Capital assets in the amount of \$4,711,289 are reported on the schedule but capital assets in the amount \$6,335,204 were reported on the State Controller's Report for the fiscal year ending June 30, 2010. The difference noted is due to the fact that the State Controller's Report was based on unaudited values and the capital assets balance was not reported net of accumulated depreciation on the State Controller's Report.

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code Section 34179.5 Review of
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- Long-term debt in the amount of \$7,091,391 is reported on the schedule but long-term debt in the amount \$9,179,705 was reported on the State Controller's Report for the fiscal year ending June 30, 2010. The difference is due to a \$2,088,313 advance from the City of Corcoran being included in both the "All Other Long-Term Debt" balance under the General Long-Term Debt column and also the "Loans Payable" balance under the Capital Projects column in the State Controller's report; however, it is only included in the "Advances from City of Corcoran" balance on the schedule.
- 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.

Conclusion: We have compared amounts in the schedule for the twelve months ending June 30, 2011 to the Redevelopment Agency of the City of Corcoran audited financial statements for the fiscal year ended June 30, 2011 issued on December 14, 2011, and noted no differences.

We have compared amounts in the schedule for the seven months ending January 31, 2012 to the account balances in the City of Corcoran's general ledger and noted no differences.

We have compared amounts in the schedule for the five months ending June 30, 2012 to the account balances in the City of Corcoran's general ledger and noted no differences.

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 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.

Conclusion: We have agreed the assets listed to recorded balances reflected in the accounting records of the successor agency. Refer to Attachment F for 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).

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code Section 34179.5 Review of
All Other Funds of the Successor Agency Combined
(Excluding Low and Moderate Income Housing Fund)**

(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.

Conclusion: According to the successor agency, there were no unspent bond proceeds on hand as of June 30, 2012.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain 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.

Conclusion: According to the successor agency, there were no grant proceeds or program income that were restricted by third parties on hand as of June 30, 2012.

C. Other assets considered to be legally restricted:

- i. Obtain 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.

Conclusion: We obtained the successor agency's computation of the restricted balances. Refer to Attachment G for a listing of asset balances held on June 30, 2012 that are considered to be legally restricted.

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code Section 34179.5 Review of
All Other Funds of the Successor Agency Combined
(Excluding Low and Moderate Income Housing Fund)**

We traced the cash with fiscal agent reported on Schedule G to the US Bank statement.

We reviewed the official statement of the Redevelopment Agency of the City of Corcoran Tax Allocation Bonds, Series 2004 that set forth the restriction pertaining to these balances.

- 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.

Conclusion: Refer to Attachment G for a listing of asset balances held on June 30, 2012 that are restricted and a computation of the restricted balances.

(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.

Conclusion: We have obtained a listing of assets as of June 30, 2012, that are not liquid or otherwise available for distribution and verified that the values are listed at purchase cost. Refer to Attachment H for a listing of assets as of June 30, 2012, that are not liquid or otherwise available for distribution.

- B. If the assets listed at 7A 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.

Conclusion: We have traced the assets which are listed at purchase cost to a previously audited financial statement and/or to accounting records of the successor agency and noted no differences.

- C. For any differences noted in 7B, 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.

Conclusion: We did not perform this procedure since there were no differences noted in 7B.

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code Section 34179.5 Review of
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- D. If the assets listed at 7A 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.

Conclusion: We did not perform this procedure since assets at 7A are not listed at recently estimated market value.

(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.

Conclusion: We did not perform these procedures since the successor agency does not believe that asset balances need to be retained to satisfy enforceable obligations except as noted in the conclusion for Procedure 6C.

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code Section 34179.5 Review of
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(Excluding Low and Moderate Income Housing Fund)**

- 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 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.
 - 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.

Conclusion: We did not perform these procedures since the successor agency does not believe 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 not required.

- 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.

Conclusion: We did not perform these procedures since the successor agency does not believe 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 flow).

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code Section 34179.5 Review of
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- 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.

Conclusion: We did not perform this procedure since procedures 8A, 8B or 8C were not performed.

(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.

Conclusion: Refer to Attachment I for the calculation of the amount that needs to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through December 31, 2012.

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.

**Agreed-Upon Procedures Engagement
Pursuant to Health and Safety Code Section 34179.5 Review of
All Other Funds of the Successor Agency Combined
(Excluding Low and Moderate Income Housing Fund)**

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).

Conclusion: Refer to Attachment J for the Summary of Balances Available for Allocation to Affected Taxing Entities.

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.

Conclusion: We have obtained a representation letter from successor agency management acknowledging their responsibility for the data provided to us and the data presented in the report or in any attachments to the report.

Attachment B

**Listing of All Assets that were Transferred from the
Former Redevelopment Agency to the
Successor Agency on February 1, 2012**

**Listing of All Assets that were Transferred from the Former
Redevelopment Agency to the Successor Agency on
February 1, 2012**

ASSETS

Cash and cash equivalents	\$ 20,832
Cash with fiscal agent - restricted	313,786
Capital assets, net	<u>3,641,281</u>
 Total Assets	 <u><u>\$ 3,975,899</u></u>

Attachment C

**Listing of Transfers by the Former
Redevelopment Agency or the
Successor Agency to the City that
Formed the Redevelopment Agency**

**Listing of Transfers by the Former Rdevelopment Agency
or the Successor Agency to the City that
Formed the Redevelopment Agency**

Transfers (excluding payments for goods and services) from the former redevelopment agency to the city that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012.

<u>Item #</u>	<u>Transferee</u>	<u>Amount Transferred</u>	<u>Purpose of Transfers</u>	<u>Description of Enforceable Obligation Requirements or Other Legal Requirements</u>
1	City of Corcoran	\$ 1,890,365	Transfer property to the City for repayment of the \$2 million loan from the City's Water Fund which was entered into on March 1, 2010	RDA Resolution No. 10-01
2	City of Corcoran	\$ 29,555	Transfer property to the City for repayment of the \$2 million loan from the City's Water Fund which was entered into on March 1, 2010	RDA Resolution No. 10-01
3	City of Corcoran	\$ 1,284,619	Transfer building located at 1020 Chittenden Avenue to the City to continue to operate the building in accordance with the provision of Health and Safety Code Section 33220(g). The building was constructed by the RDA and leased to the State of California Department of Corrections. The lease agreement was between the City and the State of California Department of Corrections. The City sent rental income received to the RDA for reimbursement of the construction costs of the building. The City has reimbursed total construction costs of the building to the RDA.	RDA Resolution No. 11-01

Transfers (excluding payments for goods and services) from the Successor Agency to the city that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012.

<u>Item #</u>	<u>Transferee</u>	<u>Amount Transferred</u>	<u>Purpose of Transfers</u>	<u>Description of Enforceable Obligation Requirements or Other Legal Requirements</u>
4	City of Corcoran	\$ 25,000	Transfer of funds to the City to meet the leverage commitment on CDBG grants related to housing rehabilitation	Leverage commitment on CDBG grant agreement number 10-STBG-6706

Attachment D

**Listing of Transfers by the Former
Redevelopment Agency or the
Successor Agency to Any Other
Public Agency or Private Parties**

**Listing of Transfers by the Former Rdevelopment Agency
or the Successor Agency to Any
Other Public Agency or Private Parties**

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.

<u>Item #</u>	<u>Transferee</u>	<u>Amount Transferred</u>	<u>Purpose of Transfers</u>	<u>Description of Enforceable Obligation Requirements or Other Legal Requirements</u>
1	County of Kings	\$ 79,070	Pass-through payment to taxing entity	Pursuant to pass-through agreement with taxing entity
2	US Bank	\$ 88,771	Redevelopment Agency of the City of Corcoran Tax Allocation Bonds, Series 2004 interest payment	Debt service payment made according to the Redevelopment Agency of the City of Corcoran Tax Allocation Bonds, Series 2004 debt service schedule
3	US Bank	\$ 278,771	Redevelopment Agency of the City of Corcoran Tax Allocation Bonds, Series 2004 principal and interest payments	Debt service payment made according to the Redevelopment Agency of the City of Corcoran Tax Allocation Bonds, Series 2004 debt service schedule

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.

<u>Item #</u>	<u>Transferee</u>	<u>Amount Transferred</u>	<u>Purpose of Transfers</u>	<u>Description of Enforceable Obligation Requirements or Other Legal Requirements</u>
4	US Bank	\$ 85,209	Redevelopment Agency of the City of Corcoran Tax Allocation Bonds, Series 2004 principal and interest payments	Debt service payment made according to the Redevelopment Agency of the City of Corcoran Tax Allocation Bonds, Series 2004 debt service schedule

Attachment E

Summary of Financial Transactions of the Redevelopment Agency and the Successor Agency

Summary of Financial Transactions of the Redevelopment Agency and the Successor Agency

	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 cash equivalents	\$ 3,816,793	\$ 754,043	\$ 245,698	\$ 47,537
Cash with fiscal agent - restricted	313,526	317,342	313,786	315,714
Taxes receivable	73,269	67,874	-	-
Interest receivable	49,635	65,759	66,643	16
Other receivable	16,055	-	-	16,290
Notes receivable	149,294	105,874	239,195	-
Due from other funds	-	1,216,604	1,928,198	1,928,198
Advances to other funds	784,795	-	-	-
Property held for resale	450,841	-	-	-
Total Assets	\$ 5,654,208	\$ 2,527,496	\$ 2,793,520	\$ 2,307,755
Liabilities (modified accrual basis)				
Accounts payable	\$ 63,372	\$ 140,390	\$ -	\$ 63,477
Deferred revenue	194,313	170,560	305,837	-
Deposits	500	700	-	-
Due to other funds	-	1,216,604	1,928,198	1,928,198
Advances from other funds	784,795	-	-	-
Advances from City of Corcoran	2,088,313	304,891	-	-
Total Liabilities	\$ 3,131,293	\$ 1,833,145	\$ 2,234,035	\$ 1,991,675
Equity	2,522,915	694,351	559,485	316,080
Total Liabilities + Equity	\$ 5,654,208	\$ 2,527,496	\$ 2,793,520	\$ 2,307,755
Total Revenues:	\$ 1,482,023	\$ 1,524,242	\$ 937,986	\$ 211,010
Total Expenditures/Expenses:	\$ 1,892,691	\$ 3,212,500	\$ 1,072,852	\$ 229,548
Total Transfers:	\$ -	\$ -	\$ -	\$ (224,867) (A)
Net change in equity	\$ (410,668)	\$ (1,688,258)	\$ (134,866)	\$ (243,405)
Beginning Equity:	\$ 2,933,583	\$ 2,522,915	\$ 694,351	\$ 559,485
Prior Period Adjustments	\$ -	\$ (140,306)	\$ -	\$ -
Ending Equity:	\$ 2,522,915	\$ 694,351	\$ 559,485	\$ 316,080
Other Information (show year-end balances for all three years presented):				
Capital assets as of end of year	\$ 4,711,289	\$ 3,835,111	\$ 3,641,281	\$ 3,515,325
Long-term debt as of end of year	\$ 7,091,391	\$ 6,902,200	\$ 3,780,000	\$ 3,780,000
Unamortized bond issuance costs as of end of year	\$ 296,938	\$ 284,777	\$ 284,777	\$ 272,615

(A) Transferred cash balance of \$224,867 as of 1/31/12 from the RDA LMIHF to the Successor Housing Agency (Fund 301).
Cash in LMIHF should not be transferred to the Successor Housing Agency.

Attachment F

**Listing of All Assets of All Other
Funds of the Successor Agency
as of June 30, 2012**

**Listing of All Assets of All Other
Funds of the Successor Agency
as of June 30, 2012**

ASSETS

Cash and cash equivalents	\$ 46,837
Cash with fiscal agent - restricted	315,714
Interest receivable	16
Other receivable	16,290
Capital assets, net	<u>3,515,325</u>
Total Assets	<u>\$ 3,894,182</u>

Attachment G

**Listing of Asset Balances Held on
June 30, 2012 that are Restricted and
Computation of the Restricted Balances**

**Listing of Asset Balances Held on
June 30, 2012 that are Restricted and
Computation of the Restricted Balances**

		<u>Restriction Period</u>
Other assets considered to be legally restricted:		
Cash with fiscal agent		Restriction is in effect thru the end of the Redevelopment Agency of the City of Corcoran Tax Allocation Bonds, Series 2004 amortization schedule, which is December 1, 2034
Redevelopment Agency of the City of Corcoran		
Tax Allocation Bonds Series 2004 Reserve		
Account (Account No. 787303004)		
	\$ 315,714	
 Total	 \$ 315,714	

Attachment H

**Listing of Assets as of June 30, 2012
that are Not Liquid or
Otherwise Available for Distribution**

**Listing of Assets as of June 30, 2012
that are Not Liquid or
Otherwise Available for Distribution**

		<u>Cost/Market Value</u>
Capital assets:		
Land		
James prop/832 Whitley	\$ 25,401	Cost
Buildings and improvements		
RDA buildings	2,407,665	Cost
Depot project	938,022	Cost
Shade Shelter	6,497	Cost
Infrastructure		
Downtown project	1,067,592	Cost
Crown Industrial Park improvements	599,133	Cost
Accumulated depreciation	<u>(1,528,985)</u>	
Total capital assets, net	<u>3,515,325</u>	
Receivable		
Interest receivable	16	Cost
Other receivable	<u>16,290</u>	Cost
Total receivable	<u>16,306</u>	
Total	<u>\$ 3,531,631</u>	

Attachment I

**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 Schedule for the Period
From July 1, 2012 through December 31, 2012**

**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 Schedule for Period
from July 1, 2012 through December 31, 2012**

Final ROPS for the period of July 1, 2012 through December 31, 2012

<u>Project Name/Debt Obligation</u>	<u>Payee</u>	<u>Description</u>	<u>Total Debt or Obligation Due During July 2012 through December 2012</u>	<u>Amounts of Existing Cash that are Needed to Satisfy the Obligation</u>	<u>Explanation on the Needs to Satisfy the Obligation</u>
2004 Tax Allocation Bonds	U.S. Bank	Bond principal and interest payment due on December 1, 2012	\$ 285,208	\$ 46,837	Amount included in cash balance as of June 30, 2012 and will be make the payment in December 31, 2012
			<u>\$ 285,208</u>	<u>\$ 46,837</u>	

Attachment J

Summary of Balances Available for Allocation to Affected Taxing Entities

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)	\$	3,894,182	Attachment F
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)		-	Attachment C & D
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)		(315,714)	Attachment G
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		(3,531,631)	Attachment H
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)		-	N/A
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)		(46,837)	Attachment I
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		-	
Amount to be remitted to county for disbursement to taxing entities	\$	-	

Note that separate computations are required for the Low and Moderate Income Housing Fund held by the successor agency and for all other funds held by the successor agency.

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.

RESOLUTION NO. 2013-01

**A RESOLUTION OF THE CORCORAN OVERSIGHT BOARD FOR THE
CORCORAN SUCCESSOR AGENCY TO THE FORMER CORCORAN
REDEVELOPMENT AGENCY APPROVING THE REPORT ON THE DUE
DILIGENCE REVIEW PERFORMED FOR ALL OTHER FUNDS OF THE
SUCCESSOR AGENCY COMBINED (EXCLUDING THE LOW AND MODERATE
INCOME HOUSING FUNDS)**

WHEREAS, AB X1 26 (“AB 26”) was passed by the California State Legislature on June 15, 2011, signed by the Governor on June 28, 2011, and on February 1, 2012 redevelopment agencies in the state of California were dissolved; and

WHEREAS, AB 1484 was passed by the California State Legislature and signed by the Governor on June 27, 2012 modifying the provisions of AB 26; and

WHEREAS, AB 1484 requires the Successor Agency to, among other things, contract for a due diligence review of all other funds of the Successor Agency Combined (excluding the Low and Moderate Income Housing Funds) to be performed by an independent accountant, and

WHEREAS, whereas pursuant to Health and Safety Code Section 34179.5 the agreed upon procedures required have been performed, and

WHEREAS, the Health and Safety Code requires approval of the report on the procedures by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED that the Corcoran Oversight Board for the Corcoran Successor Agency of the Corcoran Redevelopment Agency hereby approves the report based on the agreed upon procedures as performed by Price, Paige & Company. The report is attached hereto and incorporated by reference herein.

BE IT FURTHER RESOLVED that the City Manager of the City of Corcoran, the Successor Agency to the Corcoran Redevelopment Agency, or designee, is hereby authorized to take such actions as are necessary and appropriate to implement this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED by the Oversight Board of the Successor Agency to the Corcoran Redevelopment Agency at a regular meeting this 14th day of January 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Raymond M. Lerma, Chairperson

ATTEST:

Lorraine P. Lopez, Board Clerk

CERTIFICATE

**STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF CORCORAN)**

I, LORRAINE P. LOPEZ, Board Clerk of the City of Corcoran, do hereby certify the forgoing Resolution of the Corcoran Oversight Board for the Corcoran Successor Agency of the Corcoran Redevelopment Agency was duly passed and adopted at a Regular Meeting of the Oversight Board held on January 14, 2013.

DATED: January 14, 2013

Lorraine P. Lopez, Board Clerk