

**REPORT ON APPLYING AGREED-UPON
PROCEDURES TO THE OROVILLE REDEVELOPMENT AGENCY
AND THE OROVILLE SUCCESSOR AGENCY OF THE FORMER
OROVILLE REDEVELOPMENT AGENCY
IN ACCORDANCE WITH AB 1484**

**OROVILLE SUCCESSOR AGENCY OF THE FORMER
OROVILLE REDEVELOPMENT AGENCY**

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Independent Accountants' Report on
Applying Agreed-Upon Procedures

Oversight Board of the Oroville Successor Agency
of the Former Oroville Redevelopment Agency
City of Oroville, CA

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 Butte County Auditor-Controller, solely to assist you in determining the unobligated balances available for transfer to taxing entities in accordance with Section 34179.5 of the California Health and Safety Code. Management of the Oroville Successor Agency of the Former Oroville Redevelopment Agency ("Successor Agency") is responsible for the accounting records pertaining to the 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 referenced 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.

We were not engaged 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 use of the Butte County Auditor-Controller, the Successor Agency, and applicable State 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.

Davis Hammon & Co.

December 13, 2012

ATTACHMENT A

**Oroville Successor Agency of the Former Oroville Redevelopment Agency
Agreed Upon Procedures Due Diligence Review Pursuant to AB 1484 and
Health and Safety Code Section 34179.5**

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.

Results:

We noted no exceptions as a result of this procedure. We obtained a listing of assets transferred to the Successor Agency from the Oroville Redevelopment Agency on February 1, 2012. Assets listed under "Real Property Held For Resale" are listed at the lower of cost or market value. Capital assets are listed at original cost except for the Vega Center – 1511 Robinson building which was deemed to have no value as the building was subsequently demolished by the Successor Agency. The total book value of assets transferred was \$10,648,887. See Appendix 1 for details.

Citation:

34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Suggested Procedure(s):

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - 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.

Results:

We obtained a listing of transfers made from the Oroville Redevelopment Agency and Successor Agency to the City of Oroville. Except as noted in the following paragraph, there were no exceptions noted regarding the purpose of the transfer and description of what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirement. See Appendix 2 for details.

On January 31, 2012, the Oroville Redevelopment Agency transferred \$1,800,000 to the City of Oroville to repay a loan obligation due to the City. The loan was originally established by City Council action on February 7, 1995, which was more than two years subsequent to the date the Oroville Redevelopment Agency was established – January 5, 1981. On March 2, 2011, the Oroville City Council/Oroville Redevelopment Agency Commission authorized the repayment of the loan and directed the payment be made “no later than June 30, 2011.” The loan payment authorized by the action taken on March 2, 2011 was never completed and on August 2, 2011, the Oroville City Council/Oroville Redevelopment Agency Commission voted to void the loan repayment. On January 31, 2012, the Oroville City Council/Oroville Redevelopment Agency Commission once again authorized the repayment of the loan and directed repayment to be made by January 31, 2012.

Citation:

34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Suggested Procedure(s):

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the former redevelopment agency to any other public agency or 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.

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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.

Results:

There were no transfers made by the former Oroville Redevelopment Agency to any other outside public agency during the period January 1, 2011 through January 31, 2012. There were no transfers made from the Successor Agency to any other outside public agency during the period February 1, 2012 through June 30, 2012.

Citation:

34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

Suggested Procedure(s):

4. Perform the following procedures:
- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
 - B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
 - C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
 - D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Results:

We noted no exceptions as a result of this procedure. As required by Section 34179.5(c)(4), the amounts provided by the Successor Agency included the activities for the Oroville Redevelopment Agency and Successor Agency as a whole (both housing and non-housing activity). Amounts presented for the twelve (12) months ended June 30, 2010, were agreed to the State Controller's report filed for that year. Amounts presented for the twelve (12) months ended June 30, 2011, were agreed to the audited fund financial statements. The amounts presented for the seven (7) months ended January 31, 2012, and the five (5) months ended June 30, 2012, were agreed to the underlying accounting records of the Oroville Redevelopment Agency and the Successor Agency, respectfully. See Appendix 3 for details.

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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. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Results:

We noted no exceptions as a result of this procedure. We obtained a listing of all the non-housing assets of the Successor Agency as of June 30, 2012. Assets listed under "Real Property Held For Resale" are listed at the lower of cost or market value. Capital assets are listed at original cost except for the Vega Center – 1511 Robinson building which was deemed to have no value as the building was subsequently demolished by the Successor Agency. The total book value of all non-housing assets of the Successor Agency at June 30, 2012, was \$9,855,644. See Appendix 4 for details.

Citation:

34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

Suggested Procedure(s):

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
 - A. Unspent bond proceeds:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the

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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.
- C. Other assets considered to be legally restricted:
- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
- 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.

Results:

While we found no exceptions as a result of the procedures we performed, however, the amounts listed as unspent bond proceeds are technically unspent proceeds from loans made by the Oroville Public Financing Authority (OPFA) to the Oroville Redevelopment Agency. The OPFA issued several separate series of bonds then loaned the proceeds to the Oroville Redevelopment Agency. The OPFA bonds are to be repaid solely from the loan payments made by the Oroville Redevelopment Agency to the OPFA. Loan proceeds are restricted for payment or reimbursement for costs incurred with respect to the Redevelopment Project.

Citation:

34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of

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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.
 - 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.
 - 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.

Results:

We noted no exceptions as a result of the procedures performed. We obtained a listing of all the non-liquid, non-housing assets of the Successor Agency as of June 30, 2012. Assets listed under "Real Property Held For Resale" are listed at the lower of cost or market value. All other assets are listed at original cost. The total book value of all non-liquid, non-housing assets of the Successor Agency at June 30, 2012, was \$2,391,652. See Appendix 6 for details.

Citation:

34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

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Health and Safety Code Section 34179.5**

Suggested Procedure(s):

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
 - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.
- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
 - i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
 - 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

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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.

Results:

We noted that the Participation Agreement supporting the amount provided by the Successor Agency was not included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance. The Participation Agreement was in effect at June 30, 2011. See Appendix 7 for details.

Citation:

34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

Suggested Procedure(s):

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012

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Health and Safety Code Section 34179.5**

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.

Results:

We found no exceptions as a result of the procedures performed. See Appendix 8 for details.

Citation:

34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

Suggested Procedure(s):

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. 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).

Results:

We noted that the City of Oroville did not repay the Successor Agency the \$1,800,000 loan payment included in Appendix 2 of this report. The payment was included on the Successor Agency's Recognized Obligation Schedule (ROPS I January-June 2012), but was declared non-qualifying by the Department of Finance (DOF) in their approval letter dated May 25, 2012. In its response letter to the DOF, the City of Oroville agreed that the \$1.8 million dollar loan payment from the Successor Agency to the City was not properly listed on the ROPS. The City's letter specifically states its position that the loan was legally repaid to the City prior to the Successor Agency being legally established and the Oroville Redevelopment Agency being dissolved pursuant to AB1x-26 on February 1, 2012. The \$1,800,000 loan has not been transferred back to the Successor Agency.

See Appendix 9 for details

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11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Results:

The management of the Successor Agency signed the management representation letter dated December 12, 2012.

APPENDIX 1
OROVILLE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY
NON-HOUSING ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY
HEALTH AND SAFETY CODE 34179.5(c)(1)
PROCEDURE 1 - FEBRUARY 1, 2012

	<u>February 1, 2012</u>
Assets:	
Cash	\$ 8,508,939
Accrued Interest Receivable	419
Loans Receivable:	
Economic revolving loan - Setxer	58,138
Real Property Held For Resale:	
750 Montgomery Street	55,300
2062 Montgomery Street	9,368
2060 Montgomery Street	11,867
2044 Montgomery Street	11,870
Capital Assets:	
Land:	
Riverfront Hwy 70	650,000
550/570 Montgomery Street	525,741
Gateway Project 469	204,283
Buildings and improvements	
Carnegie Building improvements - ADA compliance	274,450
Vega Center - 1511 Robinson	-
Proposition 40 Project 528	33,910
Carnegie Building improvements - Exterior Project 512	35,889
State Theater improvements - HVAC	75,666
Vehicles and equipment:	
Radio equipment	51,750
Laserfiche server	20,640
Software - Grant Management GMS Loan	5,850
Software - Laser Pro Lending	14,617
Portable storage containers (2)	8,527
Security camera - solar power digital	10,513
Vehicle	31,836
Vehicle - 2007 Ford F150 4x4	30,544
Vehicle - 1995 Crown Victoria	18,770
Total Asset Transferred	<u>\$ 10,648,887</u>

**APPENDIX 2
 OROVILLE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY
 NON-HOUSING TRANSFERS FROM THE OROVILLE REDEVELOPMENT AGENCY AND
 THE SUCCESSOR AGENCY TO THE CITY OF OROVILLE
 HEALTH AND SAFETY CODE 34179.5(c)(2)
 PROCEDURE 2 - JANUARY 1, 2011 THROUGH JUNE 30, 2012**

	Assets Transferred January 1, 2011 Through January 31, 2012	Purpose
Cash:		
Cost Allocation Transfer	\$ 262,706	Pursuant to City's Cost Allocation Plan
Cost Allocation Transfer	10,000	Pursuant to City's Cost Allocation Plan
Repay City Loan	1,800,000	Pursuant to City Council Action - January 30, 2012
Total Transfers To City of Oroville	<u><u>\$ 2,072,706</u></u>	

	Assets Transferred February 1, 2012 Through June 30, 2012	Purpose
Assets:	\$ -	No transfers made.
Total Transfers To City of Oroville	<u><u>\$ -</u></u>	

APPENDIX 3
OROVILLE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY
FINANCIAL TRANSACTION ACTIVITY SCHEDULES
HEALTH AND SAFETY CODE 34179.5(c)(4)
PROCEDURE 4 - JUNE 30, 2010 THROUGH JUNE 30, 2012

	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	\$ 12,362,953	\$ 14,218,966	\$ 11,395,573	\$ 9,668,417
Taxes Receivable	1,069	-	-	-
Accounts Receivable	27,707	41,296	33,103	29,360
Grants Receivable	189,923	11,110		42,040
Accrued Interest	9,834	5,522	419	2,485
Loans Receivable	4,670,489	3,746,534	3,891,197	307,776
Real Property Held For Resale	2,210,109	2,237,496	2,237,496	88,405
Total Assets	\$ 19,472,084	\$ 20,260,924	\$ 17,557,788	\$ 10,138,483
Liabilities (modified accrual basis)				
Vouchers Payable	\$ 68,231	\$ 68,711	\$ (28)	\$ 96,799
Accrued Salaries Benefits	54,104	23,472	-	4,581
Contract Retentions				8,889
Deposits Payable	1,183	1,183	1,183	1,183
Deferred Revenues	7,003,889	5,962,385	6,108,907	392,953
Total Liabilities	\$ 7,127,407	\$ 6,055,751	\$ 6,110,062	\$ 504,405
Equity	12,344,677	14,205,173	11,447,726	9,634,078
Total Liabilities + Equity	\$ 19,472,084	\$ 20,260,924	\$ 17,557,788	\$ 10,138,483
Total Revenues:	\$ 8,692,877	\$ 7,597,695	\$ 3,532,002	\$ 195,502
Total Expenditures:	\$ (10,790,035)	\$ (5,737,201)	\$ (6,289,450)	\$ (1,437,259)
Total Transfers:	\$ -	\$ -	\$ -	\$ (571,891)
Net change in equity	\$ (2,097,158)	\$ 1,860,494	\$ (2,757,448)	\$ (1,813,648)
Beginning Equity:	\$ 14,441,837	\$ 12,344,679	\$ 14,205,173	\$ 11,447,725
Ending Equity:	\$ 12,344,679	\$ 14,205,173	\$ 11,447,725	\$ 9,634,077
Other Information (show year end balances for all three years presented):				
Capital assets as of end of year	\$ 2,415,220	\$ 2,514,296	\$ 2,021,461	\$ 1,992,986
Long-term debt as of end of year	\$ 27,320,000	\$ 26,590,000	\$ 24,035,000	\$ 24,035,000

APPENDIX 4
OROVILLE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY
NON-HOUSING ASSETS HELD BY THE SUCCESSOR AGENCY
HEALTH AND SAFETY CODE 34179.5(c)(5)
PROCEDURE 5 - JUNE 30, 2012

	<u>6/30/2012</u>
Assets:	
Cash	\$ 7,421,952
Grants Receivable	42,040
Accrued Interest Receivable	2,485
Loans Receivable:	
Economic revolving loan - Setxer	57,776
Economic revolving loan - Table Mt Golf	250,000
Real Property Held For Resale:	
750 Montgomery Street	55,300
2062 Montgomery Street	9,368
2060 Montgomery Street	11,867
2044 Montgomery Street	11,870
Capital Assets:	
Land:	
Riverfront Hwy 70	650,000
550/570 Montgomery Street	525,741
Gateway Project 469	204,283
Buildings and improvements	
Carnegie Building improvements - ADA compliance	274,450
Vega Center - 1511 Robinson	-
Proposition 40 Project 528	33,910
Carnegie Building improvements - Exterior Project 512	35,889
State Theater improvements - HVAC	75,666
Vehicles and equipment:	
Radio equipment	51,750
Laserfiche server	20,640
Software - Grant Management GMS Loan	5,850
Software - Laser Pro Lending	14,617
Portable storage containers (2)	8,527
Security camera - solar power digital	10,513
Vehicle	31,836
Vehicle - 2007 Ford F150 4x4	30,544
Vehicle - 1995 Crown Victoria	18,770
Total Asset Transferred	<u>\$ 9,855,644</u>

APPENDIX 5
OROVILLE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY
RESTRICTED NON-HOUSING ASSETS HELD BY THE SUCCESSOR AGENCY
HEALTH AND SAFETY CODE 34179.5(c)(5)(B)
PROCEDURE 6 - JUNE 30, 2012

	<u>6/30/2012</u>	<u>Nature of Restriction</u>
Restricted Assets		
Unspent bond proceeds:		
OPFA Loan - Series 1995 Bonds	\$ 221,882	Amounts are restricted by loan covenant for payment or reimbursement for costs incurred with respect to the Redevelopment Project
OPFA Loan - Series 2002 Bonds	359,172	Amounts are restricted by loan covenant for payment or reimbursement for costs incurred with respect to the Redevelopment Project
OPFA Loan - Series 2004 Bonds	2,735,097	Amounts are restricted by loan covenant for payment or reimbursement for costs incurred with respect to the Redevelopment Project
Grant proceeds/Program income	42,040	Receivable for DWR Levee Grant reimbursement due for cost incurred for levee project.
Total Restricted Assets	<u><u>\$ 3,358,191</u></u>	

**APPENDIX 6
 OROVILLE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY
 NON-LIQUID, NON-HOUSING ASSETS HELD BY THE SUCCESSOR AGENCY
 HEALTH AND SAFETY CODE 34179.5(c)(5)(C)
 PROCEDURE 7 - JUNE 30, 2012**

	<u>6/30/2012</u>
Non-Liquid Assets	
Accrued Interest Receivable	\$ 2,485
Loans Receivable:	
Economic revolving loan - Setxer	57,776
Economic revolving loan - Table Mt Golf	250,000
Real Property Held For Resale:	
750 Montgomery Street	55,300
2062 Montgomery Street	9,368
2060 Montgomery Street	11,867
2044 Montgomery Street	11,870
Capital Assets:	
Land:	
Riverfront Hwy 70	650,000
550/570 Montgomery Street	525,741
Gateway Project 469	204,283
Buildings and improvements	
Carnegie Building improvements - ADA compliance	274,450
Proposition 40 Project 528	33,910
Carnegie Building improvements - Exterior Project 512	35,889
State Theater improvements - HVAC	75,666
Vehicles and equipment:	
Radio equipment	51,750
Laserfiche server	20,640
Software - Grant Management GMS Loan	5,850
Software - Laser Pro Lending	14,617
Portable storage containers (2)	8,527
Security camera - solar power digital	10,513
Vehicle	31,836
Vehicle - 2007 Ford F150 4x4	30,544
Vehicle - 1995 Crown Victoria	18,770
Total Non-Liquid Assets	<u>\$ 2,391,652</u>

**APPENDIX 7
 OROVILLE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY
 CONTRACTUALLY DEDICATED NON-HOUSING ASSETS HELD BY THE SUCCESSOR AGENCY
 HEALTH AND SAFETY CODE 34179.5(c)(5)(D)
 PROCEDURE 8 - JUNE 30, 2012**

	<u>6/30/2012</u>	<u>6/30/2012</u>
Enforceable Obligations:		
Robert M Taylor Corporation Participation Agreement	\$ 26,992	Developer participation agreement dated December 15, 1986, whereby the Oroville Redevelopment Agency agrees to reimburse the Participant a portion of the assessed value of the underlying developed property on an annual basis through the tax year 2021. This agreement was not included on the final Recognized Obligation Payment Schedule.
Total Enforceable Obligations	<u>\$ 26,992</u>	

APPENDIX 8

OROVILLE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY

NON-HOUSING ASSETS HELD BY THE SUCCESSOR AGENCY FOR RECOGNIZED OBLIGATION PAYMENT SCHEDULE

HEALTH AND SAFETY CODE 34179.5(c)(5)(E)

PROCEDURE 9 - JUNE 30, 2012

	July 1, 2012 Through December 31, 2012	
	<u>Amount</u>	<u>Explanation For Retention of Funds</u>
ROPS No. 2:		
2002 Tax Allocation Bonds (Tax - Exempt)	\$ 885,109	OPFA loan payment.
2004 Tax Allocation Bonds, Series A (Tax - Exempt)	206,403	OPFA loan payment.
2004 Tax Allocation Bonds, Series B	269,129	OPFA loan payment.
Fiscal Agent Fees, Bond Disclosure, and Arbitrage Rebate Service	7,000	Fees for fiscal agent services / Continuing disclosure reporting for tax allocation bonds.
US EPA Brownfield Assessment Grant	287,675	Professional Services Agreement with Brown and Caldwell Environmental Engineers, Brownsfield Assessment Project.
Levee Investigation	240,000	Professional Services Agreement with HDR, FEMA Levee Certification Project.
Oroville Enterprise Zone	83,502	MOU between the State of California - HCD and the City to perform Enterprise Zone activities.
Oroville Inn Code Enforcement Legal Services	30,000	Professional Services Agreement with Cota Cole for Code Enforcement Legal Services.
Contract with G. Harold Duffey, Executive Director to the Oroville Redevelopment Agency/Oroville Successor Agency	8,068	Employee Contract, contract of agreement necessary for the continued administration.
Project and Grant Administration for Hillview Ridge	7,500	Professional Services Agreement for Hillview Ridge, New Construction Projects, Labor Standards Compliance
Successor Agency Legal Services	42,000	Professional Services Agreement for continued legal services.
Consulting for Project/Financial Administration	10,000	Professional Services Agreement to help implement RDA/Successor Agency transition
Successor Agency Administrative Allowance	232,594	Staffing costs overhead, building, insurance, utility costs, equipment, etc.
Total ROPS No. 2	2,308,980	

continued

APPENDIX 8

OROVILLE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY

NON-HOUSING ASSETS HELD BY THE SUCCESSOR AGENCY FOR RECOGNIZED OBLIGATION PAYMENT SCHEDULE

HEALTH AND SAFETY CODE 34179.5(c)(5)(E)

PROCEDURE 9 - JUNE 30, 2012

	January 1, 2013 Through June 30, 2013	
	<u>Amount</u>	<u>Explanation For Retention of Funds</u>
ROPS No. 3:		
2002 Tax Allocation Bonds (Tax - Exempt)	325,484	OPFA loan payment.
2004 Tax Allocation Bonds, Series A (Tax - Exempt)	206,403	OPFA loan payment.
2004 Tax Allocation Bonds, Series B	28,254	OPFA loan payment.
Oroville Enterprise Zone	83,502	MOU between the State of California - HCD and the City to perform Enterprise Zone activities.
Oroville Inn Code Enforcement Legal Services	30,000	Professional Services Agreement with Cota Cole for Code Enforcement Legal Services.
Orange Tree Senior Housing Project Management	25,000	On going construction project. Funds are needed to for the ongoing management of the Construction project, Labor Consultant and administrative sub-contractor.
Staffing for housing related programs/projects	95,502	Pre-existing Affordable Housing Loan Obligations and Loan Portfolio. Funds are needed for the continual maintenance costs for preexisting loans and housing programs of the LMIHF
Hillview Ridge Apartments, Phase II Project Management	15,000	On going construction project. Funds are needed for the ongoing management of the construction project.
Multi-Family housing compliance monitoring program management	20,000	Preexisting Annual Long Term Housing Compliance Monitoring program. Funds are needed for the maintenance of the program.
HOME grant	45,000	Preexisting Grant contract for which the RDA Funds were Committed for a grant match regarding the 2011 Home Investment Partnerships Program with the State Department of Housing and Community Development.
Cal-HOME grant	45,000	Preexisting Grant contract for which the RDA funds were committed for a grant match regarding the Cal Home Project with the State Department of Housing and Community Development.
Total ROPS No. 3	<u>919,145</u>	
Grand Total	<u>\$ 3,228,125</u>	

**APPENDIX 9
 OROVILLE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY
 SUMMARY OF NON-HOUSING BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES
 HEALTH AND SAFETY CODE 34179.5(c)(6)
 PROCEDURE 10 - JUNE 30, 2012**

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$ 9,855,644
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	(3,358,191)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(2,391,652)
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)	(26,992)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	(3,228,125)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	(380,295)
Amount to be remitted to county for disbursement to taxing entities	<u>\$ 470,389</u>