

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY

INDEPENDENT ACCOUNTANTS'
REPORT ON APPLYING
AGREED-UPON PROCEDURES

JUNE 30, 2012

CONTENTS

	<u>Page</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures	1
Attachment A – Agreed Upon Procedures Engagement Procedures Associated with Sections 34179.5(c)(1) Through 34179.5(c)(3) and Sections 34179.5(c)(5) through 34179.5(c)(6)	2-15
Attachment B – Financial Statements for Years Ended June 30, 2011 and 2010, for Seven Months Ended January 31, 2012 and Five Months Ended June 30, 2012 Procedures Associated with Sections 35179.5(c)(1) through 35179(c)(3) and Sections 34179.5(c)(5) Through 34179.5(c)(6)	16
Attachment C – Assets of all Other Funds of the Successor Agency as of June 30, 2012	17
Attachment D – Assets as of June 30, 2012 Restricted for Various Purposes	18
Attachment E – Assets as of June 30, 2012 not Liquid or Otherwise Available for Distribution	19
Attachment F – Balances Needed to Satisfy ROPS for the Current Year	20-24
Attachment G – Summary of Balances Available for Allocation to Affected Taxing Entities	25



January 24, 2013

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

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

We have performed the minimum required agreed-upon procedures (AUP) enumerated in Attachment A, which were agreed to by the California State Controller's Office and the California State Department of Finance, solely to assist the Oversight Board of the Successor Agency to the City of Dinuba Redevelopment Agency (Successor Agency) that the dissolved Redevelopment Agency (Agency) of the City of Dinuba, California (City) is complying with its statutory requirements with respect to Assembly Bill (AB) 1484. Management of the City is responsible for the accounting records pertaining to statutory compliance pursuant to California Health and Safety Code Section 34179.5(c) (1) through 34179.5(c)(6).

These procedures applied to all other remaining funds of the Successor Agency and not to the Successor Agency as a whole. The procedures applied to the Low and Moderate Income Housing Fund were completed and we have issued our report thereon dated October 23, 2012.

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.

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 financial information summarized in Attachment A as listed in the table of contents. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and uses of the Successor Agency of the City of Dinuba, Tulare County Auditor Controller, State of California Department of Finance and the California State Controller's Office, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Sampson, Sampson & Patterson, LLP

ATTACHMENT A – AGREED UPON PROCEDURES ENGAGEMENT
PROCEDURES ASSOCIATED WITH SECTIONS 34179.5(c)(1)
THROUGH 34179.5(c)(3) AND SECTIONS 34179.5(c)(5) THROUGH 34179.5(c)(6)

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

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.

PROCEDURES PERFORMED:

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:

Reviewed trial balance reports and journal entries and noted all assets were transferred from the former Redevelopment Agency to the Successor Agency effective February 1, 2012.

See Attachment B for the listing obtained from the Successor Agency of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

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.

PROCEDURES PERFORMED:

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.
 - 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:

Transfers totaling \$52,608 were made from the former Redevelopment Agency to the City's sewer fund in May 2011. The transfers were made to pay the principal amounts on notes payable recorded in the sewer fund and were not required by one of the Agency's enforceable obligations or as a result of any other legal requirement.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

CITATION:

34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011 through June 30, 2012 by the Redevelopment Agency 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.

PROCEDURES PERFORMED:

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former Redevelopment Agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

RESULTS:

There were no transfers from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through June 30, 2012. Therefore, these procedures are not applicable.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

CITATION:

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

PROCEDURES PERFORMED:

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. Described in the report the type of support provided for each fiscal period.

RESULTS:

See Attachment B for the summary obtained from the Successor Agency 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. We verified that the amounts for the City of Dinuba Redevelopment Agency listed in the State Controller's Report for the 2009-10 fiscal year agreed to the audited financial statements for that year.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

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 the fund as of June 30, 2012.

PROCEDURES PERFORMED:

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former Redevelopment Agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

RESULTS:

See Attachment C for the listing obtained from the Successor Agency of all assets of the Successor Agency as of June 30, 2012 excluding the previously reported assets of the Low and Moderate Income Housing Fund.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

CITATION:

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

PROCEDURES PERFORMED:

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purpose:
 - A. Unspent bond proceeds:
 1. 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.)
 2. 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).
 3. 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.

RESULTS:

See Attachment D for the listing of cash and investments restricted as unspent bond proceeds or bond reserves.

- B. Grant proceeds and program income that are restricted by third parties:
 1. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 2. 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).
 3. 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.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

RESULTS:

There were no grant proceeds or program income that is restricted by third parties at June 30, 2012. Therefore, these procedures are not applicable.

C. Other assets considered to be legally restricted:

1. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
2. 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).
3. 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 Agency as restricted.

RESULTS:

There are no other assets considered to be legally restricted at June 30, 2012. Therefore, these procedures are not applicable.

- 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:

See Attachment D for the listing obtained from the Successor Agency of asset balances held on June 30, 2012 that are restricted. The restrictions are in effect until the corresponding debts mature.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

CITATION:

34179.5(c)(5)C An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

PROCEDURES PERFORMED:

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.

RESULTS:

The listing included assets held for resale of \$1,888,463, receivables of \$556,463, advances to the City of Dinuba of \$1,165,634, and capital assets of \$5,274,467. Reviewed supporting documentation and noted they are not available for distribution as they are not due within a reasonable period of time therefore not deemed liquid within the meaning of California Health and Safety Code section 34179.5(c)(5)(C).

See Attachment E for the listing obtained from the Successor Agency of assets as of June 30, 2012 that are not liquid or otherwise available for distribution.

- 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.

RESULTS:

Noted no 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.

RESULTS:

Noted no differences.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

- 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:

The assets listed at 7(A) are listed at actual cost.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

CITATION:

34179.5(c)(5)D An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of any enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligations. In addition, the Successor Agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. 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.

PROCEDURES PERFORMED:

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. This 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 payments of that obligation.
 1. 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.
 2. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 3. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 4. Attached 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.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

RESULTS:

The Successor Agency does not believe that asset balances need to be retained to satisfy enforceable obligations.

- 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 is 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:
1. 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.
 2. 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.
 3. 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.

RESULTS:

The Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are sufficient 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.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

1. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
2. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
3. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

RESULTS:

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.

- 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.
 1. 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.
 2. 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.
 3. Include the calculation in the AUP report.

RESULTS:

Since procedures A, B, or C were not performed, this procedure is not applicable.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

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.

PROCEDURES PERFORMED:

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 July 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:

Reviewed Recognized Obligation Payment Schedules (ROPS) for periods of July 1, 2012 to December 31, 2012 and January 1, 2013 to June 30, 2013 and noted enforceable obligations to be satisfied by cash balances as of June 30, 2012.

The Department of Finance approved enforceable obligations totaling \$1,641,110 for the period July 1, 2012 to December 31, 2012 in their letter to the City dated May 25, 2012 (see Attachment F and supporting documents). The total RRTTF balance available to fund Enforceable Obligations for this period was \$1,434,610. This funding was received by the City from the County of Tulare on June 22, 2012 and is included in the cash balance at June 30, 2012.

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
AGREED UPON PROCEDURES – DUE DILIGENCE REVIEW
ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

CITATION:

34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make the transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. 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 purpose 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.

PROCEDURES PERFORMED:

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).

RESULTS:

See Attachment F for the schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

ATTACHMENT B – FINANCIAL STATEMENTS FOR YEARS ENDED JUNE 30, 2011 AND 2010
FOR SEVEN MONTHS ENDED JANUARY 31, 2012 AND FIVE MONTHS ENDED JUNE 30, 2012
PROCEDURES ASSOCIATED WITH SECTIONS 35179.5(c)(1)
THROUGH 35179(c)(3) AND SECTIONS 34179.5(c)(5) THROUGH 34179.5(c)(6)

SUCCESSOR AGENCY TO THE CITY OF DINUBA
REDEVELOPMENT AGENCY
(YEARS ENDED JUNE 30, 2011 AND 2010, SEVEN MONTHS ENDED JANUARY 31, 2012
AND FIVE MONTHS ENDED JUNE 30, 2012)

ATTACHMENT B
SUMMARY OF FINANCIAL TRANSACTIONS
(Excluding Low & Moderate Income Housing Fund)

	Redevelopment Agency 12 Months Ended June 30, 2010	Redevelopment Agency 12 Months Ended June 30, 2011	Redevelopment Agency 7 Months Ended January 31, 2012	Successor Agency 5 Months Ended June 30, 2012
Assets (modified accrual basis):				
Cash and investments	\$ 50,576	\$ 251,959	\$ 1,472,747	\$ 1,454,531
Cash with fiscal agents - restricted	3,211,535	3,944,941	3,917,910	3,931,457
Accounts receivable	375	375		2,907
Intergovernmental	189,994	117,124		
Interest receivable	173	854		348
Prepaid items	990	-		-
Notes receivable	575,304	564,462	564,461	553,208
Assets held for resale	400,600	3,138,295	1,888,463	1,888,463
Advances to City of Dinuba	1,165,634	1,165,634	1,165,634	1,165,634
Interfund advances receivable	600,000	600,000		
Total Assets	<u>\$ 6,195,181</u>	<u>\$ 9,783,644</u>	<u>\$ 9,009,215</u>	<u>\$ 8,996,548</u>
Liabilities (modified accrual basis):				
Accounts payable	\$ 240,190	15,834		
Accrued liabilities	4,074	5,134	2,540	2,540
Deferred revenue		167,639	167,639	167,639
Other liabilities	375,000	375,000	375,187	375,187
Due to the City of Dinuba	6,052,117	8,336,472	12,631,079	12,759,298
Interfund advances payable	4,646,963	4,898,386		
Total Liabilities	<u>11,318,344</u>	<u>13,798,465</u>	<u>13,176,445</u>	<u>13,304,664</u>
Equity	<u>(5,123,163)</u>	<u>(4,014,821)</u>	<u>(4,167,230)</u>	<u>(4,308,116)</u>
Total Liabilities and Equity	<u>\$ 6,195,181</u>	<u>\$ 9,783,644</u>	<u>\$ 9,009,215</u>	<u>\$ 8,996,548</u>
Total Revenues and other Financing Sources:	<u>\$ 5,115,334</u>	<u>\$ 19,752,524</u>	<u>\$ 3,190,551</u>	<u>\$ 1,466,295</u>
Total Expenditures:	<u>\$ (6,961,327)</u>	<u>\$ (20,617,869)</u>	<u>\$ (3,510,382)</u>	<u>\$ (1,607,181)</u>
Total Net Transfers:	<u>\$ (711,112)</u>	<u>\$ (596,369)</u>	<u>\$ 167,422</u>	<u>\$ -</u>
Beginning Equity:	<u>\$ (2,566,058)</u>	<u>\$ (5,290,802)</u>	<u>\$ (4,014,821)</u>	<u>\$ (4,167,230)</u>
Prior Period Adjustments	<u>\$ -</u>	<u>\$ 2,737,695.00</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Equity:	<u>\$ (5,123,163)</u>	<u>\$ (4,014,821)</u>	<u>\$ (4,167,230)</u>	<u>\$ (4,308,116)</u>
Capital Assets	<u>\$ 17,606,284</u>	<u>\$ 14,658,149</u>	<u>\$ 5,274,467</u>	<u>\$ 5,274,467</u>
Long-term debt	<u>\$ 58,101,613</u>	<u>\$ 57,191,241</u>	<u>\$ 54,872,739</u>	<u>\$ 54,872,739</u>

ATTACHMENT C – ASSETS OF ALL OTHER FUNDS
OF THE SUCCESSOR AGENCY

Successor Agency to the Dinuba Redevelopment Agency
All Other Funds of the Successor Agency
Agreed Upon Procedures - AB 1484
For the Year Ended June 30, 2012

ATTACHMENT C
Assets of all other funds of the Successor Agency

	<u>Non Housing Fund</u>	<u>Capital Assets</u>	<u>Total</u>
Assets			
Cash and investments	\$ 1,454,531	\$	\$ 1,454,531
Cash with agent - restricted	3,931,457		3,931,457
Receivables	556,463		556,463
Advances to the City of Dinuba	1,165,634		1,165,634
Assets held for resale	1,888,463		1,888,463
Capital Assets		5,274,467	5,274,467
Total Assets	<u>\$ 8,996,548</u>	<u>\$ 5,274,467</u>	<u>\$ 14,271,015</u>

Cash with agent - Restricted

Bond Reserves

2001 Tax Allocation Bonds	863,490
2003 Tax Allocation Bonds	470,443
2005 Tax Allocation Bonds	293,849
2006 Tax Allocation Bonds	1,040,667
2009 School District Tax Allocation Notes	38,395
2011A Tax Allocation Bonds	735,566
2011B Tax Allocation Bonds	489,047
Cash with agent - Restricted	<u>\$ 3,931,457</u>

Receivables:

Accounts:

Miscellaneous	<u>\$ 2,907</u>
---------------	-----------------

Interest:

348

Notes:

Zarmig	385,569
Rise Hospitality	167,639
	<u>553,208</u>

Total Receivables	<u>\$ 556,463</u>
--------------------------	-------------------

Advances to the City of Dinuba:

Sewer Construction Fund	<u>\$ 1,165,634</u>
-------------------------	---------------------

Assets Held for Resale:

500 West Sierra Way	62,334
West Sierra Way	150,330
328 W. Sierra Way	451,626
480 W. Sierra Way	83,220
29.47 Acres Kamm Avenue	472,264
9.66 Acres Surabian Industrial Park	155,561
11.66 Acres, Industrial Park Land	513,128
Assets Held for Resale	<u>\$ 1,888,463</u>

Capital Assets:

Land	\$ 5,179,382
Depreciable Assets	167,848
Accumulated Depreciation	(72,763)
	<u>\$ 5,274,467</u>

ATTACHMENT D – ASSETS AS OF JUNE 30, 2012
RESTRICTED FOR VARIOUS PURPOSES

Successor Agency to the Dinuba Redevelopment Agency
All Other Funds of the Successor Agency
Agreed Upon Procedures - AB 1484
For the Year Ended June 30, 2012

ATTACHMENT D
Asset Balances Held on June 30, 2012
restricted for various purposes

Cash with agent - Restricted

Bond Reserves	
2001 Tax Allocation Bonds	863,490
2003 Tax Allocation Bonds	470,443
2005 Tax Allocation Bonds	293,849
2006 Tax Allocation Bonds	1,040,667
2009 School District Tax Allocation Notes	38,395
2011A Tax Allocation Bonds	735,566
2011B Tax Allocation Bonds	489,047
Cash with agent - Restricted	<u>\$3,931,457</u>

ATTACHMENT E – ASSETS AS OF JUNE 30, 2012
NOT LIQUID OR OTHERWISE AVAILABLE FOR DISTRIBUTION

Successor Agency to the Dinuba Redevelopment Agency
All Other Funds of the Successor Agency
Agreed Upon Procedures - AB 1484
For the Year Ended June 30, 2012

ATTACHMENT E
Asset Balances Held on June 30, 2012
not liquid or otherwise available for distribution

Receivables:

Accounts:

Miscellaneous	\$ 2,907
---------------	----------

Interest:	348
-----------	-----

Notes:

Zarmig	385,569
--------	---------

Rise Hospitality	167,639
------------------	---------

	553,208
--	---------

Total Receivables	\$ 556,463
-------------------	------------

Advances to the City of Dinuba:

Sewer Construction Fund	\$ 1,165,634
-------------------------	--------------

Assets Held for Resale:

500 West Sierra Way	62,334
---------------------	--------

West Sierra Way	150,330
-----------------	---------

328 W. Sierra Way	451,626
-------------------	---------

480 W. Sierra Way	83,220
-------------------	--------

29.47 Acres Kamm Avenue	472,264
-------------------------	---------

9.66 Acres Surabian Industrial Park	155,561
-------------------------------------	---------

11.66 Acres, Industrial Park Land	513,128
-----------------------------------	---------

Total Assets Held for Resale	\$ 1,888,463
------------------------------	--------------

Capital Assets:

Land	\$ 5,179,382
------	--------------

Depreciable Assets	167,848
--------------------	---------

Accumulated Depreciation	(72,763)
--------------------------	----------

Total Capital Assets	\$ 5,274,467
----------------------	--------------

Assets that are not cash or cash equivalents	\$ 8,885,027
---	---------------------

ATTACHMENT F – BALANCES NEEDED TO SATISFY ROPS FOR THE CURRENT YEAR

Successor Agency to the Dinuba Redevelopment Agency
All Other Funds of the Successor Agency
Agreed Upon Procedures - AB 1484
For the Year Ended June 30, 2012

ATTACHMENT F
Balances Needed to Satisfy ROPS for Current Fiscal Year

Approved Enforceable Obligations - ROPS II	
Period July 1, 2012 to December 31, 2012 (See attachment)	<u>\$ 1,641,110</u>

Note: The Total Redevelopment Property Tax Trust Fund (RPTTF) Allocation for ROPS II in the amount of \$1,434,610 was received on 6/22/12.

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE July to December PERIOD**

Name of Successor Agency Dinuba Successor Agency

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	\$ 108,607,722.00	\$ 5,744,300.00
Total Due for Six Month Period		
Outstanding Debt or Obligation	\$ 4,508,993.50	
Available Revenues other than anticipated funding from RPTTF	\$ -	
Enforceable Obligations paid with RPTTF	\$ 4,418,743.50	
Administrative Cost paid with RPTTF	\$ 90,250.00	
Pass-through Payments paid with RPTTF	\$ -	
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 220,937.18	

Certification of Oversight Board Chairman:
Pursuant to Section 34177(i) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Enforceable Payment Schedule for the above named agency.

Daniel L. Meinert Chair- Oversight Board of the Dinuba Successor Agency

Name Daniel L. Meinert Title _____
Signature [Signature] Date 5/11/2012

ROPSII

Enforceable Obligations as submitted for approval July 2012 \$ 4,418,744
Disallowed EO's per DOF Letter: August 2012 (214,731)
(2,562,903)

Enforceable Obligations Approved by DOF \$ 1,641,110

May 25, 2012

Cass Cook, Budget Services Manager
City of Dinuba
405 E. El Monte Way
Dinuba, CA 93618

Dear Mr. Cook:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Santa Ana Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on April 18, 2012 for the period January to June 2012 and May 9, 2012 for the period of July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

January through June 2012 ROPS

Based on our review, we are approving all of the items listed on your ROPS at this time.

July through December 2012 ROPS

Except for items disallowed in whole or in part as EOs noted below, Finance is approving the remaining items listed in your ROPS.

HSC section 34171 (d) lists enforceable obligations characteristics. Based on a sample of items reviewed and application of the law, the following do not qualify as EOs:

- Page 1, items 1- 6, 9, and 10 – Various amounts totaling \$2.8 million. These are duplicative payments. Per discussion with the City, it is our understanding that amounts have been received from previous tax allocation and August 2012 payments will be made from reserve accounts. These items do not represent continuing obligations on the July to December 2012 ROPS.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Name of Redevelopment Agency: Dinuba Successor Agency
 Project Area(s): RDA Project Area All

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source ***	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)					Total		
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012		Dec 2012	
1) 2001 Tax Allocation Bond	2001	Bond issue for non-housing and housing	Bond issue for non-housing and housing	Dinuba RDA	16,722,222.00	816,428.00	RPTTF		599,553.00					599,553.00	
2) 2003 Tax Allocation Bond	2003	Bond issue for non-housing and housing	Bond issue for non-housing and housing	Dinuba RDA	12,058,373.00	429,268.00	RPTTF		268,053.00					268,053.00	
3) 2005 Tax Allocation Bond	2005	Bond issue for non-housing and housing	Bond issue for non-housing and housing	Dinuba RDA	8,198,631.00	365,299.00	RPTTF		251,864.00					251,864.00	
4) 2006 Tax Allocation Bond	2006	Bond issue for non-housing and housing	Bond issue for non-housing and housing	Dinuba RDA	26,731,002.00	1,028,764.00	RPTTF		682,888.00					682,888.00	
5) 2011A Tax Allocation Bond	2011	Bond issue for non-housing and housing	Bond issue for non-housing and housing	Dinuba RDA	24,543,150.00	648,212.00	RPTTF		323,106.00					323,106.00	
6) 2011B Tax Allocation Bond	2011	Bond issue for non-housing and housing	Bond issue for non-housing and housing	Dinuba RDA	13,101,268.00	335,638.00	RPTTF		167,719.00					167,719.00	
7) 2009 Tax Allocation Note	2009	Note issue of non-housing projects	Note issue of non-housing projects	Dinuba RDA	1,408,360.00	1,408,360.00	RPTTF		1,408,360.00					1,408,360.00	
8) 2010 Lease Revenue Note	2010	Note issue of non-housing projects	Note issue of non-housing projects	Dinuba RDA	4,990,425.00	0.00	RPTTF								
9) Owner Agreement for land purchase	June 22, 2005	Ohanesian	Land purchase for non-housing project	Dinuba RDA	429,541.00	214,731.00	RPTTF	214,731.00						214,731.00	
10) Contract for Construction	2008	Chelsea	Development of Senior housing	Dinuba RDA	300,000.00	300,000.00	RPTTF	300,000.00						300,000.00	
11) Owner Agreement for land purchase	January 2009	Bob Banker Company	Land purchase for non-housing project	Dinuba RDA	523,750.00	26,250.00	RPTTF			206,499.50				206,499.50	
12)															
13)															
14)															
15)															
16)															
17)															
18)															
19)															
20)															
21)															
22)															
23)															
24)															
25)															
26)															
27)															
28)															
29)															
30)															
31)															
32)															
Totals - This Page (RPTTF Funding)															
Totals - Page 2 (Other Funding)															
Totals - Page 3 (Administrative Cost Allowance)															
Totals - Page 4 (Pass Thru Payments)															
Grand total - All Pages															

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance.
 ** All totals due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency. (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund
 LMHF - Low and Moderate Income Housing Fund
 Admin - Successor Agency Administrative Allowance
 Other - reserves, rents, interest earnings, etc
 *****The Successor Agency is currently working to roll the 2009 notes into 30 years bonds

TULARE COUNTY AUDITOR-CONTROLLER

Exhibit J2

County of Tulare County #54
 Revised Redevelopment Property Tax Trust Fund Allocations & Distributions for June 1, 2012 (Covering the Revenue Period 2/1/12 through 4/30)
 (Whole Numbers)

	Successor Agency for County RDA	H&S 34182(f) for Dinuba RDA	Successor Agency for Exeter RDA	Successor Agency for Farmersville RDA	Successor Agency for Lindsay RDA	Successor Agency for Porterville RDA	H&S 34182(f) for Insufficient Funds Notice by Agency	Succ
Redevelopment Property Tax Trust Fund (RPTTF) Activity								
RPTTF Beginning Balance	1,729,216	1,947,791	385,925	299,787	773,500		413,595	
Deposits:								
Secured & Unsecured Property Tax Increment								
Supplemental & Unitary Property Tax Increment								
Miscellaneous Revenues	1,729,216	1,947,791	385,925	299,787	773,500		413,595	
Deposit totals	1,729,216	1,947,791	385,925	299,787	773,500		443,595	
RPTTF Available Balance								
H&S Code 34183 Distributions	9,881	10,083	2,026	1,665	5,472		2,347	
Administrative Fees to County Auditor-Controller	57,209	72,888	12,803	10,520	25,885		14,719	
SB2557 Administration Fees				8,157	10,218			
City Passthrough Payments	78,889	32,051	85,089	20,702	115,053		38,787	
County Passthrough Payments	159,741	321,481	14,087	5,180	13,144		2,483	
Special District Passthrough Payments - Tax Portion	11,455	21,170		9,971	12,084			
K-12 School Passthrough Payments - Facilities Portion	136,039	28,291	51,837	24,614	62,329		48,335	
K-12 School Passthrough Payments - Tax Portion	2,433	3,880		1,179	9,818		11,412	
Community College Passthrough Payments - Facilities Portion	25,046	5,063	7,275	2,462	422		3,686	
Community College Passthrough Payments - Tax Portion	363	819	3,330	1,464	5,522			
County Office of Education - Facilities Portion	10,958	4,215						
County Office of Education - Tax Portion								
ERAF Passthrough Payments					330,500		320,830	
ROPS Enforceable Obligations Payable from Property Taxes	1,025,358			52,500				
Successor Agency Administrative Cost Allowance	183,905			25,041				
SCO Invoices for Audit and Oversight								
H&S Code 34183 Dist Totals	1,680,395	1,947,791	176,403	183,604	592,414		443,595	(0)
Residual Balance	48,821	0	209,523	136,183	181,085		0	0
Residual Distributions								
Residual Balance to Cities	12,615		32,824	15,259	21,601			
Residual Balance to Counties	4,526		44,756	22,753	37,546			
Residual Balance to Special Districts	16,222		7,777	7,705	15,902			
Residual Balance to K-12 Schools	3,698		66,230	54,558	54,048			
Residual Balance to Community Colleges	1,201		9,231	5,915	9,365			
Residual Balance to County Office of Education			4,262	2,731	4,325			
Residual Balance to ERAF			44,643	27,261	36,256			
Residual Distribution Totals	48,821	0	209,523	136,183	181,085		0	0
Ending RPTTF Balance								
Amounts Gained or Lost via H&S section 34188 "haircutting" - Use positive or negative sums as appropriate (Totals should net to zero)			377					
"Haircut" to Cities			517					
"Haircut" to Counties			(2,331)					
"Haircut" to Special Districts			765					

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

Successor Agency to the Dinuba Redevelopment Agency
All Other Funds of the Successor Agency
Agreed Upon Procedures - AB 1484
For the Year Ended June 30, 2012

ATTACHMENT G
Summary of Balances Available for Allocation

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012	\$ 14,271,015
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)	52,608
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedures 6)	(3,931,457)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(8,885,027)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)	
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	(1,641,110)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	<hr/>
Amount to be remitted to county for disbursement to taxing entities (Not less than -0-)	<u><u>\$ -</u></u>