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**Finance
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To: Oversight Board for the Successor Agency to the Lemoore Redevelopment Agency Item # 9
From: Cheryl Silva, Finance Director
Date: July 19, 2012

Subject: Audit of Financial Statements for the Lemoore Redevelopment Agency and the Successor Agency to the Lemoore Redevelopment Agency

Discussion:

The City of Lemoore accepted a one-year extension for annual audit services with Sampson, Sampson and Patterson, LLP. The letter of engagement specifies the services to be provided to the City of Lemoore for the year ended June 30, 2012. The mandatory audit of the Lemoore Redevelopment Agency is included in their scope of work for this agreement. The fee associated with the Lemoore Redevelopment Agency is \$10,000.

On July 2, 2012 the City was informed by Becky Carr, Kings County Director of Finance about an additional provision of AB 1484 as stated below.

*34179.5. (a) In furtherance of subdivision (d) of Section 34177, each successor agency shall employ **a licensed accountant, approved by the county auditor-controller** and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities. As an alternative, an audit provided by the county auditor-controller that provides the information required by this section may be used to comply with this section with the concurrence of the oversight board.*

According to Becky Carr, the Kings County Finance Department does not have the staff to complete these agreed upon procedures (AUP) for the Lemoore Successor Agency to the Lemoore Redevelopment Agency. It was recommended that the Agency contact our outside auditor to get the contract in place to complete the reports by the due dates.

Budget Impact:

The contract amount of \$10,000 to be included in the July-December 2012 ROPS for the audit services associated with the Lemoore Redevelopment Agency.

Recommendation:

Approve the resolution to contract with Sampson, Sampson and Patterson, LLP, for audit services for the Lemoore Redevelopment Agency.

RESOLUTION NO. 2012-09

**A RESOLUTION OF THE LEMOORE OVERSIGHT BOARD FOR THE
LEMOORE SUCCESSOR AGENCY TO THE
FORMER LEMOORE REDEVELOPMENT AGENCY APPROVING THE LETTER OF
ENGAGEMENT WITH SAMPSON, SAMPSON & PATTERSON, LLP
TO PERFORM THE REQUIRED DUE DILIGENCE REVIEW**

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

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

WHEREAS, Health and Safety Code Section 34177.3(b) allows successor agencies to create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance; and

WHEREAS, Health and Safety Code Section 34179.5(a) requires successor agencies to employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities; and

WHEREAS, The City of Lemoore as Successor Agency to the former Lemoore Redevelopment Agency is in receipt of a Letter of Engagement dated July 18, 2012 from Sampson, Sampson & Patterson, LLP, which includes the Due Diligence Review (audit) of the Lemoore Redevelopment Agency at an estimated cost of \$10,000; and

WHEREAS, Health and Safety Code Section 34180 requires the actions of the Successor Agency shall first be approved by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED that the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency hereby approves the Letter of Engagement with Sampson, Sampson and Patterson, LLP for the audit of the Lemoore Redevelopment Agency.

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

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

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PASSED, APPROVED, AND ADOPTED by the Oversight Board for the Successor Agency to the former Lemoore Redevelopment Agency at a regular meeting this 26th day of July 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

John Plourde, Chairperson

ATTEST:

Mary Jane French, Board Clerk

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, MARY JANE FRENCH, Board Clerk of the Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency, do hereby certify the forgoing Resolution of the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency was duly passed and adopted at a Regular Meeting of the Oversight Board held on July 26, 2012.

DATED: July 27, 2012

Mary Jane French, Board Clerk