

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

556



**FROM:** Successor Agency to the Redevelopment Agency

**SUBMITTAL DATE:**

July 5, 2012

**SUBJECT:** Financial Services Agreement for Financial Audit Services with Teaman, Ramirez, & Smith, Inc.

**RECOMMENDED MOTION:** That the Board of Supervisors:

Ratify the attached Financial Services Agreement with Teaman, Ramirez, & Smith Inc. in the amount of \$35,500 and authorize the Chairman of the Board to execute the agreement.

**BACKGROUND:** (Commences on page 2)

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 35,500	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

**COMPANION ITEM ON BOARD AGENDA:** No

**SOURCE OF FUNDS:** Successor Agency Administrative Budget

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY:

County Executive Office Signature

Jennifer L. Sargent

Dep't Recomm.:

☐ Consent

☐ Policy

Per Exec. Ofc.:

☐ Consent

☒ Policy

Prev. Agn. Ref.:

District: All

Agenda Number:

4.11

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

**BACKGROUND:**

Effective February 1, 2012, all redevelopment agencies in the State of California were dissolved. Pursuant to the ABx1 26 (dissolution bill), on January 10, 2012, the Riverside County Board of Supervisors adopted Resolution No. 2012-034, accepting the designation as Successor Agency for the Redevelopment Agency for the County of Riverside pursuant to CA Health and Safety Code section 34171(j) and further delegating such actions and functions to be performed as Successor Agency to the Economic Development Agency.

Successor agencies are required to undertake the remainder of the actions required for the winding down of redevelopment activity, pursuant to the dissolution bill, including the submission of a Recognized Obligation Payment Schedule (ROPS) and a corresponding Administrative Budget for the Successor Agency for each six-month reporting period. On April 5, 2012, the Oversight Board to the Successor Agency adopted the Administrative Budget for the Successor Agency for the period January to June 2012 as shown on the amended EOPS/ROPS for \$10,160,757.

The State Controller's Office has communicated that there is currently no legislative basis to require a financial and compliance audit of the financial statements of the former Redevelopment Agency. Eric Xin, CPA and Principal at Brown Armstrong, which is the CPA audit firm under contract with the County Auditor-Controller for the annual CAFR audit, highly recommends to the EDA management for the Successor Agency that this audit be conducted to properly account for and report the financial statements of the former Redevelopment Agency for this final reporting period from July 1, 2011 through January 31, 2012.

This financial audit is an important activity related to the winding down activities for the former redevelopment agency for the period July 1, 2011 to January 31, 2012. The cost of this financial audit of \$35,500 would be an eligible administrative expense and the approved administrative budget for the Successor Agency has sufficient funds to cover this expense. The auditor will review financial transactions in order to prepare a separate audited financial statement for the final reporting period of the former Redevelopment Agency for the County of Riverside from July 1, 2011 through January 31, 2012, and this report will be included in the County CAFR as a component unit for this period.

Staff recommends approval of this financial services agreement to conduct a financial audit of the former Redevelopment Agency as requested by the Successor Agency for the period of July 1, 2011 through January 31, 2012.

**Attachment:**

Financial Services Agreement with Teaman, Ramirez, & Smith, Inc.

1                                   **FINANCIAL SERVICES AGREEMENT**  
2                                   **BY AND BETWEEN THE**  
3                                   **THE COUNTY OF RIVERSIDE**  
4                                   **AND TEAMAN, RAMIREZ, & SMITH, INC.**  
5                                   **FOR FINANCIAL AUDIT SERVICES**

6           **THIS AGREEMENT**, is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2012,  
7 by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of  
8 California acting in its capacity as Successor Agency to the Redevelopment Agency for  
9 the County of Riverside (hereinafter "AGENCY"), and **TEAMAN, RAMIREZ & SMITH,**  
10 **INC.**, Certified Public Accountants (hereinafter "CONSULTANT").

11                                   **RECITALS**

12           **WHEREAS**, AGENCY is the successor in interest to the Redevelopment Agency  
13 for the County of Riverside pursuant to the provisions of Section 34173 of the California  
14 Health and Safety Code, acting in its capacity as Successor Agency;

15           **WHEREAS**, the Redevelopment Agency for the County of Riverside (Former  
16 RDA) was a redevelopment agency duly created, established and authorized to transact  
17 business and exercise its powers, all under and pursuant to the provisions of the  
18 Community Redevelopment Law which is Part 1 of Division 24 of the California Health  
19 and Safety Code (commencing with Section 33000 et seq.); the Former RDA was  
20 dissolved as of February 1, 2012 pursuant to Section 34172;

21           **WHEREAS**, pursuant to Sections 34177-34181 of the Health and Safety Code,  
22 the AGENCY is authorized to make and execute contracts and other instruments  
23 necessary or convenient in compliance with the Enforceable Obligation Payment  
24 Schedule (EOPS) as superseded by the Recognized Obligation Payment Schedule  
25 (ROPS) as adopted by the Agency and the Oversight Board;

26           **WHEREAS**, the proposed financial services are deemed necessary in  
27 performance of an important wind down activity of the Former RDA pursuant to the  
28 EOPS or as later superseded by the ROPS;

1  
2       **WHEREAS**, pursuant to the original Request for Proposal for annual financial  
3 audits of the Former RDA dated January 2009, the Former RDA had the option to enter  
4 into separate annual contracts with the CONSULTANT for fiscal years ending from June  
5 30, 2009 through June 30, 2013 to provide annual financial audit services. Those  
6 services provided in this agreement will benefit the County of Riverside as Successor  
7 Agency to the Former RDA by providing financial audit services of the Former RDA for  
8 the period from July 1, 2011 through the period ended January 31, 2012 in order to  
9 verify and confirm the account balances of assets, liabilities and fund balance reserves  
10 that were transferred to the Successor Agency funds upon the dissolution of the Former  
11 RDA as of February 1, 2012;

12       **WHEREAS**, the AGENCY has exercised the annual renewal option to contract  
13 with CONSULTANT, and

14       **WHEREAS**, CONSULTANT has agreed to provide such services to AGENCY.

15       **NOW THEREFORE**, based on the mutual promises contained herein, the parties  
16 hereto do hereby agree as follows:

17       1.     **SCOPE OF WORK.** CONSULTANT will provide financial audit services  
18 which are described on Exhibit "A" attached hereto.

19       2.     **COMPENSATION AND METHOD OF PAYMENT.** CONSULTANT  
20 compensation shall be an amount not to exceed thirty five thousand and five hundred  
21 Dollars (**\$35,500**). CONSULTANT shall submit invoices to AGENCY for progress  
22 payments based on work completed to date. AGENCY shall reimburse CONSULTANT  
23 within thirty (30) days of receipt of invoice.

24       3.     **AMENDMENTS TO WORK PROGRAM.** AGENCY'S Assistant County  
25 Executive Officer, or designee, is authorized to approve and execute changes to the  
26 Agreement. Such changes shall be mutually agreed upon by and between the  
27 Assistant County Executive Officer/EDA, or designee, and CONSULTANT, and shall be  
28 incorporated in written amendments to this Agreement.

1           **4.     TIME OF PERFORMANCE.**     CONSULTANT shall commence and  
2 complete performance of financial audit services described in Exhibit "A" Scope of Work  
3 upon execution of this Agreement by the AGENCY and agrees that it will diligently and  
4 responsibly pursue the performance of the services required of it by this Agreement.  
5 CONSULTANT will perform the services on Exhibit "A" through completion unless the  
6 scope of work is altered by written amendments pursuant to the provisions in Section 3.  
7 All services to be performed herein shall be completed no later than September 20,  
8 2012.

9           **5.     COOPERATION BY AGENCY.**     All information, data, reports, records,  
10 and ledgers as they currently exist, available to AGENCY and necessary for carrying  
11 out the work described, shall be furnished to CONSULTANT without charge by  
12 AGENCY. AGENCY shall cooperate with CONSULTANT as appropriate to facilitate,  
13 without undue delay, the work to be performed under this Agreement.

14           **6.     DESIGNATED REPRESENTATIVES.**     The following individuals are  
15 hereby designated as representatives of the AGENCY and CONSULTANT respectively  
16 to act as liaison between the parties:

17           **AGENCY**

18           **Peggy Sanchez**

19           **Deputy Director, EDA**

20           **County of Riverside**

21           **3133 Mission Inn Avenue**

22           **Riverside, CA 92507**

23           **Phone: (951) 955-3132**

24           **Fax: (951) 955-9605**

**CONSULTANT**

**Richard A Teaman, CPA**

**Municipal Audit Partner**

**Teaman, Ramirez, & Smith, Inc.**

**4201 Brockton Ave, Suite 100**

**Riverside, CA 92501**

**Phone: (951) 274-9500**

**Fax: (951) 274-7828**

25           Any change in designated representatives shall be promptly reported to the other  
26 party in order to ensure proper coordination.

1           **7.     STANDARDS OF PERFORMANCE.** CONSULTANT shall comply with all  
2 applicable laws, ordinances and codes of the federal, state and local governments while  
3 performing the services described herein in a good, skillful, and professional manner.

4           **8.     OWNERSHIP OF DOCUMENTS.** Documents, reports and materials  
5 prepared under this Agreement shall become the property of AGENCY upon receipt by  
6 AGENCY'S designated representative named in Section 6 of this Agreement.

7           **9.     PERSONNEL AND ASSIGNMENT.** CONSULTANT represents that it has  
8 all personnel required to perform the services under this Agreement. CONSULTANT'S  
9 personnel shall not be employed by, nor have any direct contractual relationship with  
10 AGENCY. All services required hereunder shall be performed by CONSULTANT, its  
11 employees, or personnel under direct contract with CONSULTANT or subcontractors, it  
12 being specifically provided, however, that CONSULTANT shall not assign or  
13 subcontract the performance of this Agreement nor any part thereof without the prior,  
14 written consent of AGENCY.

15           **10.   NON-DISCRIMINATION REQUIREMENTS.** CONSULTANT shall ensure  
16 that there shall be no discrimination against or segregation of any person, or group of  
17 persons, on account of race, color, creed, religion, age, sex, marital status, handicap,  
18 national origin, ancestry or any category protected pursuant to the California Fair  
19 Employment and Housing Act, in the performance of this Agreement and that  
20 CONSULTANT, Contractor, or any person claiming under or through AGENCY shall not  
21 establish or permit any such practice or practices of discrimination or segregation.

22           **11.   LEGAL REVIEWS.** AGENCY may, in its sole and exclusive discretion,  
23 conduct reviews to determine the legal sufficiency of any and all documents prepared  
24 by CONSULTANT, by or through AGENCY Counsel.

25           **12.   GOVERNING LAW; JURISDICTION.** This Agreement shall be governed  
26 by and construed in accordance with the laws of the State of California. The Parties  
27 agree that this Agreement has been entered into at Riverside, California, and that any  
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1 legal action related to the interpretation or performance of the Agreement shall be filed  
2 in the Superior Court for the State of California, in Riverside, California.

3 **13. AUTHORITY OF CONSULTANT.** CONSULTANT and its agents,  
4 servants, employees and subcontractors shall act at all times in an independent  
5 capacity during the term of this Agreement, and shall not act as, and shall not be, nor  
6 shall they in any manner be construed to be, agents, officers or employees of AGENCY,  
7 and further, CONSULTANT, its agents, servants, employees and subcontractors, shall  
8 not in any manner incur or have the power to incur any debt, obligation, or liability  
9 against AGENCY.

10 **14. TERM AND TERMINATION.** The term of this Agreement shall commence  
11 on the date of execution by the AGENCY through June 30, 2013. This Agreement may  
12 be terminated by AGENCY for any reason (with or without cause) upon giving fourteen  
13 (14) days written notice to CONSULTANT. AGENCY may terminate the Agreement  
14 immediately when: (1) it is determined by AGENCY that CONSULTANT activities are  
15 resulting in or may result in discredit to AGENCY; or (2) CONSULTANT has breached a  
16 material provision of this Agreement. In the event of termination, AGENCY may  
17 proceed with the work in any manner it deems to be proper and in the best interests of  
18 AGENCY.

19 Either party may terminate this Agreement upon thirty (30) days written notice to  
20 the other. In the event of such termination, CONSULTANT shall be compensated for all  
21 services performed and expenses incurred to the date of notice of termination as  
22 described in a written report to AGENCY prepared by CONSULTANT. Upon  
23 termination, CONSULTANT shall submit to AGENCY all materials and reports (including  
24 any uncompleted reports or unfinished work). Such compensation shall be paid within  
25 thirty (30) days of termination.

26 **15. NOTICES OF TERMINATION.** Notice of termination by AGENCY to  
27 CONSULTANT shall be deemed delivered if sent by certified mail, return receipt  
28 requested, to: CONSULTANT; Notice by CONSULTANT to AGENCY shall be deemed

1 delivered if sent by certified mail, return receipt requested, to AGENCY:

2       **16. CONFLICT OF INTEREST.** CONSULTANT represents and agrees that  
3 CONSULTANT has not employed any person to solicit or procure this Agreement, and  
4 has not made, and will not make, any payment or any agreement for the payment of any  
5 commission, percentage, brokerage, contingent fees, or other compensation in  
6 connection with the procurement of this Agreement.

7       **17. INDEPENDENT CONSULTANT.** It is understood and agreed that  
8 CONSULTANT is an independent contractor and that no relationship of employer-  
9 employee exists between the parties hereto. CONSULTANT shall not be entitled to any  
10 benefits payable to employees of AGENCY including County Workers' Compensation  
11 Benefits. It is further understood and agreed by the parties hereto that CONSULTANT  
12 in the performance of its obligation hereunder is subject to the control or direction of  
13 AGENCY merely as to the result to be accomplished by the services hereunder agreed  
14 to be rendered and performed and not as to the means and methods of accomplishing  
15 the results. CONSULTANT, its employees and agents shall maintain professional  
16 licenses required by the laws of the State of California at all times while performing  
17 services under the Agreement.

18       **18. INSURANCE.** Without limiting or diminishing CONSULTANT's obligation  
19 to indemnify and hold the County harmless, CONSULTANT shall procure and maintain,  
20 or cause to be maintained at its sole cost and expense, the following insurance  
21 coverage during the term of this Agreement:

22       a.   **Workers' Compensation:** If CONSULTANT has employees as  
23 defined by the State of California, CONSULTANT shall maintain  
24 Workers' Compensation Insurance (Coverage A) as prescribed by the  
25 laws of the State of California. Policy shall include Employers' Liability  
26 (Coverage B) including Occupational Disease with limits not less than  
27 \$1,000,000 per person per accident. Policy shall be endorsed to  
28



1 waive subrogation in favor of the County and, if applicable, provide a  
2 Borrowed Servant/Alternate Employer Endorsement.

3 b. **Commercial General Liability:** Commercial General Liability  
4 insurance coverage, including but not limited to, premises liability,  
5 contractual liability, products/completed operations if applicable, personal  
6 and advertising injury covering claims that arise from or out of  
7 CONSULTANT's operations, use and management of the premises, or the  
8 performance of its obligations hereunder. Policy shall name, by Policy  
9 Endorsement, the County of Riverside, its Directors, Officers, Special  
10 Districts, Board of Supervisors, employees, agents or representatives as  
11 Additional Insured. Policy limits shall not be less than \$2,000,000 per  
12 occurrence combined single limits. If Policy contains a general aggregate  
13 limit, it shall apply separately to this agreement or be no less than two (2)  
14 times the occurrence limit. Policy shall also contain coverage for \$5,000  
15 Medical Payments per accident, per person, and Fire Legal Liability in an  
16 amount not less than \$50,000.

17 c. **Vehicle Liability:** If CONSULTANT uses, or causes to be used,  
18 any vehicle or mobile equipment in the performance of its obligations  
19 under this Agreement, CONSULTANT shall maintain liability insurance for  
20 all owned, non-owned and hired vehicles in an amount not less than  
21 \$1,000,000 per occurrence combined single limit. If Policy contains a  
22 general aggregate limit, it shall apply separately to this Agreement or be  
23 no less than two (2) times the occurrence limit. Policy shall be endorsed to  
24 name the County as Additional Insured.

25 d. **Property (Physical Damage):** All-Risk personal property  
26 insurance coverage for the full replacement value of all CONSULTANT's  
27 equipment, systems, structures and improvements/alterations if any  
28 (Care, Custody, and Control of CONSULTANT) used on County premises,

1 or used in any way connected with the accomplishment of the work or  
2 performance of services under this Agreement.

3 e. **Professional Liability:** CONSULTANT shall maintain  
4 Professional Liability Insurance providing coverage for performance of  
5 work included within this Agreement, with a limit of liability of not less than  
6 \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If  
7 CONSULTANT's Professional Liability Insurance is written on a claims-  
8 made basis (Project Specific) rather than an occurrence basis, such  
9 insurance shall continue through the term of this Agreement. Upon  
10 termination of this Agreement, or the expiration or cancellation of the  
11 claims made insurance policy, CONSULTANT shall purchase at its sole  
12 expense either 1) an Extended Reporting Endorsement (also known as  
13 Tail Coverage), or 2) Prior Dates Coverage from a new insurer with a  
14 retroactive date back to the date of, or prior to, the inception of this  
15 Agreement, or 3) demonstrate through Certificates of Insurance that  
16 CONSULTANT has maintained continuous coverage with the same or  
17 original insurer. Coverage provided under items 1), 2), or 3) will continue  
18 for a period of five (5) years beyond the termination of this Agreement.

19 f. **General Insurance Provisions - All lines:**

- 20
- 21 (1) Any insurance carrier providing insurance coverage hereunder shall  
22 be admitted to the State of California unless waived, in writing, by  
23 the County Risk Manager. Carrier(s) shall have an A.M. BEST  
24 rating of not less than an A:VIII. Insurance deductibles or self-  
25 insured retentions must be declared by the carrier(s), and such  
26 deductibles and retentions shall have the prior written consent from  
27 the County Risk Manager. At the election of the Risk Manager,  
28

1 carriers shall provide written notification, and shall either 1) reduce  
2 or eliminate such deductibles or self-insured retentions, or 2)  
3 procure a bond which guarantees payment of losses and related  
4 investigations, claims administration, and defense costs and  
5 expenses. If no written notice is received from the County Risk  
6 Manager within ten (10) days of the acceptance of agreement, then  
7 such deductibles or self-insured retentions shall be deemed  
8 acceptable.  
9

- 10  
11 (2) Cause its insurance carrier(s) to furnish the County of Riverside  
12 with either 1) a properly executed original Certificate(s) of  
13 Insurance and certified original copies of Endorsements effecting  
14 coverage as required herein, or 2) if requested to do so in writing by  
15 the County Risk Manager, provide original Certified copies of  
16 policies including all Endorsements and all attachments thereto,  
17 showing such insurance is in full force and effect. Except on  
18 professional liability policy, the County of Riverside, its Directors  
19 and Officers, Special Districts, Board of Supervisors, elected  
20 officials, employees, agents or representatives are named as  
21 Additional Insured. Further, said Certificates(s) and policies of  
22 insurance shall contain the covenant of the insurance carrier(s) that  
23 thirty (30) days written notice shall be given to the County of  
24 Riverside prior to any material modification, cancellation, expiration  
25 or reduction in coverage of such insurance. In the event of a  
26 material modification, cancellation, expiration or reduction in  
27 coverage, this lease shall terminate forthwith, unless the County of  
28 Riverside receives, prior to such effective date, another properly

1 executed original Certificate of Insurance and original copies of  
2 endorsements or certified original policies, including all  
3 endorsements and attachments thereto evidencing coverage set  
4 forth herein and the insurance required herein is in full force and  
5 effect. **CONSULTANT shall not take commence operations**  
6 **under this Agreement until the County of Riverside has been**  
7 **furnished original Certificate(s) of Insurance and certified**  
8 **original copies of Endorsements or Policies of insurance**  
9 **including all endorsements and any and all other attachments**  
10 **as required in this Section. The original Endorsements for**  
11 **each policy and the Certificate of Insurance shall be signed by**  
12 **an individual authorized by the insurance carrier and to do so**  
13 **on its behalf.**

- 14 (3) It is understood and agreed to by the parties hereto and the  
15 insurance company(s), that the Certificate(s) of Insurance and  
16 policies shall so covenant and shall, except on professional liability  
17 policy, be construed as primary, and the County's insurance and/or  
18 deductibles and/or self-insured retentions or self-insured programs  
19 shall not be construed as contributory.

20 The County of Riverside Reserved Rights Insurance. The County  
21 of Riverside reserves the right to adjust the monetary limits of  
22 insurance coverage during the term of this agreement or any  
23 extension thereof if in the County Risk Manager's reasonable  
24 judgment, the amount or type of insurance carried by the  
25 CONSULTANT becomes inadequate.

- 26 (4) CONSULTANT shall pass down the insurance obligations  
27 contained herein to all tiers of subcontractors working under this  
28 Agreement.

1       **19.    INDEMNITY AND HOLD HARMLESS:** The CONSULTANT agrees to and  
2 shall indemnify and hold harmless the County of Riverside, its Agencies, Districts,  
3 Departments and Special Districts, their respective directors, officers, Board of  
4 Supervisors, elected and appointed officials, employees, agents and representatives  
5 (hereinafter individually and collectively referred to as "Indemnitees") from:

6           A.     All liability, including, but not limited to loss, suits, claims, demands,  
7 actions, or proceedings to the extent caused by any alleged or actual  
8 negligent, reckless or intentional act, error or omission, of CONSULTANT,  
9 its directors, officers, partners, employees, agents or representatives or  
10 any person or organization for whom CONSULTANT is responsible,  
11 arising out of or from the performance of professional services under this  
12 Agreement; and

13          B.     All liability, including but not limited to, loss, suits, damage, claims  
14 and demands, based upon any alleged or actual act, error, omission, or  
15 occurrence of CONSULTANT its directors, officers, partners, employees,  
16 agents or representatives or any person or organization for whom  
17 CONSULTANT is responsible, arising out of, in connection with, resulting  
18 from conditions created by CONSULTANT or caused by the  
19 CONSULTANT's performance or failure of performance of any work or  
20 services, other than professional services covered under Section 'A'  
21 above, under this Agreement.

22               As respects each and every indemnification herein CONSULTANT  
23 shall defend and pay, at its sole expense, all costs and fees including but  
24 not limited to attorney fees, cost of investigation, and defense and  
25 settlements or awards against the County of Riverside, its Agencies,  
26 Districts, Special Districts and Departments, their respective directors,  
27 officers, Board of Supervisors, elected and appointed officials, employees,  
28 agents and representatives.

1 With respect to any action or claim subject to indemnification herein  
2 by CONSULTANT, CONSULTANT shall, at their sole cost, have the right  
3 to use counsel of their own choice and shall have the right to adjust, settle,  
4 or compromise any such action or claim without the prior consent of  
5 County; provided, however, that any such adjustment, settlement or  
6 compromise in no manner whatsoever limits or circumscribes  
7 CONSULTANT's indemnification to Indemnitees as set forth herein.

8 CONSULTANT's obligation hereunder shall be satisfied when  
9 CONSULTANT has provided to Indemnitees the appropriate form of  
10 dismissal relieving Indemnitees from any liability for the action or claim  
11 involved.

12 The specified insurance limits required in this Agreement shall in no way  
13 limit or circumscribe CONSULTANT's obligations to indemnify and hold  
14 harmless Indemnitees from third party claims.

15 In the event there is conflict between this clause and California Civil  
16 Code Section 2782, this clause shall be interpreted to comply with Civil  
17 Code 2782. Such interpretation shall not relieve the CONSULTANT from  
18 indemnifying the County to the fullest extent allowed by law.

19 **21. ENTIRE AGREEMENT.** This Agreement is intended by the Parties hereto  
20 as a final expression of their understanding with respect to the subject matter hereof  
21 and as a complete and exclusive statement of the terms and conditions thereof and  
22 supersedes any and all prior and contemporaneous agreements and understandings,  
23 oral or written, in connection therewith. Any amounts to or clarification necessary to this  
24 Agreement shall be in writing and acknowledged by all parties to the Agreement. This  
25 Agreement may be changed or modified only upon the written consent of the Parties.

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2       **IN WITNESS WHEREOF**, the County of Riverside, acting in its capacity as  
3 Successor Agency to the Redevelopment Agency for the County of Riverside and  
4 CONSULTANT, have executed this Agreement as of the date first above written.

5  
6 COUNTY OF RIVERSIDE

TEAMAN, RAMIREZ,& SMITH, INC.

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9 \_\_\_\_\_  
10       John Tavaglione  
11       Chairman, Board of Supervisors

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15       Richard Teaman, CPA  
16       Municipal Audit Partner

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APPROVED AS TO FORM:  
PAMELA WALLS  
Agency Counsel

By \_\_\_\_\_  
Deputy

**EXHIBIT A**  
**SCOPE OF WORK**  
**FINANCIAL AUDIT SERVICES for FY 2011-2012**

For period from July 1, 2011 through January 31, 2012, the Successor Agency to the Redevelopment Agency for the County of Riverside requests an annual audit for the seven month period prior to the dissolution effective February 1, 2012.

The audit should be conducted in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. If necessary, the financial compliance audit shall also be conducted. The audit field work shall include but is not limited to tests of the accounting transactions and records and other procedures considered necessary to enable your firm to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

For this audit of the period ended January 31, 2012, the former Redevelopment Agency will present all Agency funds as Major governmental type funds. Thus, the Agency will require the audit staff to present the financial statements of all Agency funds separately in the Fund financial statements as Major governmental type funds.

The Consultant is to schedule the audit field work during the week of July 23, 2012 and to finalize audit field work during the week of August 6, 2012. By August 20, 2012, the Consultant is to submit draft audit reports to EDA management to allow for timely review prior to final issuance of the audit report on or before September 6, 2012. As the Consultant schedules staff to perform annual audit services, Consultant is to give the AGENCY consideration to assign the same on-site supervisor(s) if possible to provide continuity for service performance.



1 **FINANCIAL STATEMENTS**

2  
3 **Basic Component Unit Financial Statements:**

4 **Government-wide Financial Statements:**

5 Statement of Net Assets

6 Statement of Activities

7 **Fund Financial Statements:**

8 Balance Sheet – Governmental Funds, Reconciliation of the Balance Sheet of  
9 Governmental Funds to the Statement of Net Assets, Statement of Revenues,  
10 Expenditures, and Changes in Fund Balances-Governmental Funds,  
11 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
12 Balances of Governmental Funds to the Statement of Activities, and  
13 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund  
14 Balances of Governmental Funds to the Statement of Activities, and Notes to  
15 Financial Statements

16 **Supplemental Information:**

17 All funds are to be presented as Major Funds.

18 **Financial Reporting:**

19 Financial Statements will be required to be presented per GASB 54, to reflect  
20 new Governmental Fund Type definitions and Fund Balance classifications.  
21 The Excess Surplus Calculation will be required to be presented in the report.

22 In addition, the Agency requires these financial statements by fund type:

23 Combining Balance Sheet-Capital Projects Governmental Funds, Combining  
24 Statement of Revenues, Expenditures and Changes in Fund Balances-Capital  
25 Projects Governmental Funds

26 Combining Balance Sheet-Debt Service Governmental Funds, Combining  
27 Statement of Revenues, Expenditures and Changes in Fund Balances-Debt  
28 Service Governmental Funds

Combining Balance Sheet-Special Revenue Governmental Funds, Combining  
Statement of Revenues, Expenditures and Changes in Fund Balances-Debt  
Service Governmental Funds

1 Independent Auditors' Report in Internal Control Over Financial Reporting and on  
2 Compliance and Other Matters Based on an Audit of Financial Statements  
3 Performed in Accordance with *Government Auditing Standards*.

4 Five (5) copies of the annual audit report shall be submitted to EDA management  
5 for the Redevelopment Agency by September 6, 2012. Ten (10) additional  
6 copies of the annual audit report shall be submitted within seven (7) business  
7 days after receiving the final annual audit report.

### 8 **WORK PRODUCT**

9 All reports, preliminary findings, or data assembled or compiled by  
10 CONSULTANT under this Agreement become the property of the AGENCY. The  
11 AGENCY reserves the right to authorize others to use or reproduce such  
12 materials. Therefore, such materials shall not be circulated in whole or in part,  
13 nor released to the public, without the direct authorization of the Assistant County  
14 Executive Officer for the Economic Development Agency, or his designee.

### 15 **PERIOD OF PERFORMANCE**

16 The period of Performance shall commence on July 23, 2012 with the completion  
17 date no later than September 20, 2012, with no obligation by the County of  
18 Riverside to purchase any specified amount of services.  
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