



# SERRANO

May 12, 2010

Norma Santiago, Chairman  
and Honorable Members in Session  
El Dorado County Board of Supervisors  
El Dorado County Government Center  
330 Fair Lane  
Placerville, CA. 95667

**Re: Community Facilities District 1992 - 1**

Dear Chairman Santiago:

Attached please find a "Request For Information" and request for a meeting with the Auditor/Controller.

If our meeting next week with the Auditor/Controller is productive, we believe we can complete our work by June 4, 2010, which will allow time for County Counsel to work with our counsel and to discuss this matter with Sam Sperry.

Best Regards,

Kirk Bone

KB:lts  
Enclosure

cc: **Suzanne Allen de Sanchez, Clerk of the Board**  
Joe Harn, Auditor/Controller  
Craig Enos – Ueltzen & Company  
David Taussig- David Taussig and Associates

COPY SENT TO BOARD MEMBERS  
FOR THEIR INFORMATION

DATE 5-14-10  
+ file



# SERRANO

May 12, 2010

Joe Harn  
Auditor-Controller  
County of El Dorado  
360 Fair Lane  
Placerville, CA 95667

**Re: Information Needed and Questions and Meeting  
Community Facilities District 1992-1**

Dear Mr. Harn:

Attached please find a list of "Information Needed and Questions" and a request for a meeting from Craig Enos of Ueltzen and Company.

Mr. Enos is available to meet with you all day on May 19<sup>th</sup> or May 21<sup>st</sup>. It is likely that there will also need to be a follow-up meeting.

Your cooperation is appreciated; please feel free to contact Mr. Enos directly to coordinate the meeting. His telephone number is 916-573-7790.

Best regards,

Kirk Bone

KB:Its

cc: Craig Enos – Ueltzen & Company

**Community Facilities District No. 1992-1  
(El Dorado Hills Development)**

**List of Additional Information Needed and Questions**

**I. Additional Information Needed**

**A. General Ledger detail for Special Tax Fund for fiscal year ending 6/30/2002**

1. It appears that the County changed account numbers/index during the year. I was provided what appears to be the beginning of the year up to the point of a transfer.
2. The Pooled account should start with a balance of \$2,174,279.56 and end with \$212,569.54.
3. The Fiscal Agent (FA) account should start with \$1,012.15 and end with \$305.55.

**B. General Ledger for all related accounts for the fiscal year starting 7/1/2009 to current**

**C. Bank Statements (For all related accounts – see item 4 below)**

1. 2000 – 2009
  - a) January
  - b) May
  - c) June
  - d) July
  - e) October
  - f) November
  - g) December

**Community Facilities District No. 1992-1  
(El Dorado Hills Development)**

**List of Additional Information Needed and Questions**

2. January 2010 - Current
    - a) All months
  3. The March and April 2003 statements for the Redemption Account (405126) are poor copies and cannot be read. Please provide new copies.
  4. The Bank of New York account numbers are:
    - a) 405129 - 99 Reserve Account
    - b) 405144 - 99 Optional Redemption Account
    - c) 405126 - 99 Redemption Account
    - d) 405132 - 99 Special Tax Fund
    - e) 405135 - 99 Acquisition Fund
    - f) 405143 - 04 Redemption Account
    - g) 405108 - 04 Acquisition Account
    - h) 405104 - 04 Reserve Account
    - i) 405111 - 04 Special Tax Fund
- D. Detailed Transactions
1. What account(s) was debited in the 2/13/2002 journal entry with a credit of \$381,816.35 to the Reserve account (Fiscal Agent account)? The journal entry is referenced as JE2202074 8.
  2. What account(s) was debited in the 9/23/2004 journal entry with a credit of \$363,348.70 to the Special Tax Fund (FA)? The journal entry is referenced as JE2500471 01.

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**List of Additional Information Needed and Questions**

3. What account(s) was debited in the 7/22/2005 journal entry with a credit of \$487,661.04 to the Special Tax Fund (FA)? The journal entry is referenced as JE2503214 13.
4. What account(s) was debited in the 7/22/2005 journal entry with a credit of \$1,357.67 to the Reserve Account Phase III (FA)? The journal entry is referenced as JE2503215 05.
5. What account(s) was debited in the 7/22/2005 journal entry with a credit of \$8,043.97 to the Reserve Account Phase III (FA)? The journal entry is referenced as JE2503221 05.
6. What account(s) was debited in the 3/20/2006 journal entry with two credits of \$35,171.76 each to the Redemption Account (FA)? The journal entries are referenced as JE2602110 01 and JE2602110 03.
7. Interest calculations for all Pooled Funds

**II. Questions**

- A. Why does County maintain pooled accounts for accounts other than the CFD Fund, Expense Account, and Facilities Account?
- B. Why are collections of the special tax deposited into the pooled Special Tax Fund and not into the CFD Fund as noted in Section 3.8 of the Indenture?
- C. Why were no deposits/transfers of significance (\$363,348.70) made to the CFD Fund until 9/23/2004 (fiscal year 6/30/2005)?
- D. What was the basis for transferring \$363,348.70 on 9/23/2004?
- E. Why were no deposits or transfers made to the CFD Fund between 9/23/2004 and 3/31/2009?
- F. What was the basis for transferring \$1,104,791.08 from the Special Tax Fund (Pooled) to the CFD Fund on 3/31/2009?

**Community Facilities District No. 1992-1  
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**List of Additional Information Needed and Questions**

- G. Why was \$1,290,872.98 transferred from the Special Tax Fund (FA) to the Special Tax Fund (Pooled) on 10/27/2008?
- H. What analysis is done to monitor the growing balance in the Special Tax Funds?
- I. What is the annual "Handling Charge" deducted from the Special Tax Fund pooled account for? For fiscal year ending 6/30/01, the amount of \$33,230.30 was deducted on 1/05/01. For fiscal year ending 6/30/06, the amount of \$45,157.06 was deducted on 1/5/2006.
- J. Why were the refunds totaling \$76,677.11 to Serrano Associates recorded as a debit to the Special Tax Fund pooled account in August 2009? I would have expected this to be a reduction to the account balance, not an increase. What was the credit side of these entries?