



April 27, 2013

Ms. Stacey Tamagni, Financial Analyst  
Folsom Redevelopment Successor Agency  
50 Natoma Street  
Folsom, CA 95630

Dear Ms. Tamagni:

Subject: Other Funds and Accounts Due Diligence Review

This letter supersedes the California Department of Finance's (Finance) original Other Funds and Accounts (OFA) Due Diligence Review (DDR) determination letter dated March 28, 2013. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the Folsom Redevelopment Successor Agency (Agency) submitted an oversight board approved OFA DDR to Finance on January 14, 2013. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Finance issued an OFA DDR determination letter on March 28, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer session was held on April 12, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed. Specifically, the following adjustments were made:

- Finance previously increased the total amount of OFA assets held by the Agency as of June 30, 2012 by \$247,710. The adjustment was made because the Fund 280 negative cash account balance of \$247,710 was already included in the asset calculation for the Low and Moderate Income Housing Fund (LMIHF) DDR. The total amount of assets held by the Agency in the LMIHF was (\$259,569) with no adjustments made during Finance's review. As such, the Agency was unable to resolve the negative cash balance of \$247,710 in the LMIHF DDR since there were no assets available. Therefore, the Agency is permitted to offset OFA assets held by the Agency as of June 30, 2012 in the amount \$247,710. As such, Finance is reversing its adjustment of \$247,710.

The Agency's OFA balance available for distribution to the affected taxing entities has been revised to \$0, as reported on the DDR. This is Finance's final determination of the OFA balances available for distribution to the taxing entities.

Pursuant to HSC sections 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter do not in any way eliminate the Controller's authority.

Ms. Stacey Tamagni  
April 27, 2013  
Page 2

Please direct inquiries to Evelyn Sues, Supervisor or Danielle Brandon, Analyst at  
(916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a stylized flourish extending from the end.

STEVE SZALAY  
Local Government Consultant

cc: Ms. Terri Hemley, Financial Services Manager  
Mr. Carlos Valencia, Senior Accounting Manager, Sacramento County  
California State Controller's Office