



March 27, 2013

Mr. Chris Jicha, AICP
Kosmont Companies, Consultants to the DLA
865 S. Figueroa St., 35th FL.
Los Angeles, CA 90017

Dear Mr. Jicha:

Subject: Other Funds and Accounts Due Diligence Review

The Designated Local Authority to the former City of Riverbank Redevelopment Agency (Agency) submitted an oversight board approved Other Funds and Accounts (OFA) Due Diligence Review (DDR) to the California Department of Finance (Finance) on January 16, 2013. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Since the Agency did not meet the January 15, 2013 submittal deadline pursuant to HSC section 34179.6 (c), Finance is not bound to completing its review and making a determination by the April 1, 2013 deadline pursuant to HSC section 34179.6 (d). However, Finance has completed its review of your DDR, which may have included obtaining clarification for various items.

Based on our review of your DDR, Finance made no adjustment to your OFA DDR and the balances available for distribution to the taxing entities is zero.

Pursuant to HSC section 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.

Please direct inquiries to Wendy Griffe, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mr. Wendell Naraghi, Chair, Designated Local Authority
Ms. Marisela Hernandez, Director of Finance, City of Riverbank
Ms. Lauren Klein, CPA, Auditor-Controller, Stanislaus County
California State Controller's Office