



April 25, 2013

Ms. Sally Traylor, Secretary
City of Westmorland
Box 699
Westmorland, CA 92281

Dear Ms. Traylor:

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 21, 2013. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Westmorland Successor Agency (Agency) submitted an oversight board approved OFA DDR to Finance on January 15, 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 21, 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 4, 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:

- Legally restricted assets in the amount of \$58,000. During the Meet and Confer process, the Agency provided additional information showing that the amount for the Reserve Account for the 2011 Tax Allocation Refunding Bonds was included in the June 30, 2012 balance. Therefore, is reversing its adjustment of \$58,000.

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.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Steve Szalay', with a long horizontal stroke extending to the left.

STEVE SZALAY
Local Government Consultant

cc: Mr. Henry Graham, Oversight Board Chair, City of Westmorland Successor Agency
Mr. Douglas R. Newland, Auditor-Controller, County of Imperial
California State Controller's Office

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