



May 1, 2013

Ms. Wendy Ross, Economic Development Manager
City of Woodland
300 First Street
Woodland, CA 95695

Dear Ms. Ross:

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 April 1, 2013. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Woodland (Agency) submitted an oversight board approved OFA DDR to Finance on December 20, 2012. 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 April 1, 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 15, 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:

- The DDR identified balances restricted totaling \$4,703,649. Finance previously denied \$4,109,675 due lack of supporting documentation. Finance noted the Agency is required to hold \$593,974 in reserve with the fiscal agent as required by the bond indentures. During the Meet and Confer process, Finance determined that the remaining \$4,109,675 are bond proceeds and are therefore legally restricted. As such, Finance is reversing its original adjustment to the OFA balance.
- The Agency's request to retain \$270,703 for July through December 2012 Recognized Obligation Payment Schedule (ROPS II) enforceable obligations was previously denied. The Agency requested to retain \$270,703 related to the Casa Del Sol – HELP loan approved by Finance and funded out of Redevelopment Property Tax Trust Fund during ROPS II. The Agency has not made the payment and is holding the funds for an upcoming payment to CalHFA on the defaulted loan. Therefore, retention of the amount is permitted and the original adjustment to the OFA available balance is reversed.

The Agency's OFA balance available for distribution to the affected taxing entities is \$0.

This is Finance's final determination of the OFA balances available for distribution to the taxing entities.

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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.

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

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Dan Sokolow, Senior Planner, Community Development
Mr. Howard Newens, Auditor-Controller, County of Yolo Auditor-Controller and
Treasurer-Tax Collector
California State Controller's Office