



April 14, 2014

Ms. Jeri L. Corgill, Accounting Operations Manager
City of Greenfield
599 El Camino Real
Greenfield, CA 93927

Dear Ms. Corgill:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Greenfield Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on February 28, 2014 for the period of July through December 2014. Finance has completed its review of your ROPS 14-15A, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following does not qualify as an enforceable obligation for the reasons specified:

- Item No. 22 – EMC Planning Group service contract in the amount of \$26,470 funded by Bond Proceeds. It is our understanding that contracts for this line item have not yet been awarded. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. In addition, based on the review of the draft contract, it is between the City and EMC Planning Group, the former redevelopment agency is not a party to the contract. The Agency agreed that it should not be on the ROPS and requested to retire this item.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved in the table below includes the prior period adjustment self-reported by the Agency. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the table below only includes the prior period adjustment self-reported by the Agency.

However, based on the information provided by the Agency during the review, Finance has made an adjustment to the Agency's self-reported prior period adjustments (PPA). The Agency reported \$45,819 as actual expenditures for the administrative allowance for the ROPS 13-14A period. However, the accounting records provided support the actual expenditures for the

administrative allowance as \$49,567; the Agency was authorized for \$74,400. As such, Finance made an adjustment of \$3,748 to the self-reported PPA amount of \$105,708; the total PPA for the ROPS 13-14A period is \$101,960.

Further, an adjustment was made to the Cash Balances Form based upon information provided by the Agency during our review. Although this adjustment has no effect on the amount of RPTTF the Agency receives, this adjustment will affect the Agency's cash balances for the funds source involved. The Agency agreed with the following adjustment:

- The Agency provided financial records identifying a cash balance in the amount of \$319,600 held in the CalHome Trust Fund. However, this amount was omitted from the Cash Balance Form. This amount was added to the reserve balance on the Cash Balance Form and should be reported on future ROPS.

Except for the item denied in whole or in part as an enforceable obligation or for the item that has been adjusted, Finance is not objecting to the remaining items listed on your ROPS 14-15A. If you disagree with the determination with respect to any items on your ROPS 14-15A, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$849,131 as summarized below:

Approved RPTTF Distribution For the period of July through December 2014	
Total RPTTF requested for non-administrative obligations	891,091
Total RPTTF requested for administrative obligations	60,000
Total RPTTF requested for obligations	\$ 951,091
Total RPTTF authorized for non-administrative obligations	891,091
Total RPTTF authorized for administrative obligations	60,000
Total RPTTF authorized for obligations	\$ 951,091
Self-reported ROPS 13-14A prior period adjustment (PPA)	(105,708)
Finance adjustment to ROPS 13-14A PPA	3,748
Total ROPS 13-14A PPA	(101,960)
Total RPTTF approved for distribution	\$ 849,131

Please refer to the ROPS 14-15A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2014. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from

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Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Nichelle Thomas, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Susan Stanton, City Manager, City of Greenfield
Ms. Julie Aguero, Auditor Controller Analyst II, Monterey County
California State Controller's Office