



April 17, 2014

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

Dear Ms. Traylor:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Westmorland Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on March 5, 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.

Based on our review, we are approving all of the items listed on your ROPS 14-15A at this time.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF). Pursuant to HSC section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency provided financial records that displayed available Other Funds totaling \$42,553.

Therefore, the funding source for the following items has been reclassified to Other Funds in the amounts specified below:

- Item Nos. 2 and 3 – 2011 Tax Allocation Bonds in the amount of \$41,557. The Agency requested \$41,577 of RPTTF; however, Finance is reclassifying to \$41,577 to Other Funds. These items are enforceable obligations for the ROPS 14-15B period. However, the obligations do not require payment from property tax revenues and the Agency has \$41,577 in available Other Funds. Therefore, Finance is approving Other Funds in the amount of \$41,577.

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 (ROPS 13-14A). The amount of 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 (PPA) 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, with the following adjustment made by Finance:

- The available RPTTF Non-Admin balance was increased to \$43,213 and the available Admin RPTTF balance was increased to \$5,151. The RPTTF distribution reported by the Imperial County CAC indicates the Agency had a total amount of \$48,364 available from the ROPS 13-14A period RPTTF distribution; however, the Agency's self-reported PPA available balance equaled \$46,388. Therefore, the PPA has been corrected to reflect the difference of \$1,976 (\$48,364 - \$46,388). As such, the adjustment increases the Agency's prior period adjustment for the ROPS 13-14A period from \$0 to \$1,976.

Except for the items that have been reclassified, 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 \$33,024 as summarized below:

Approved RPTTF Distribution	
For the period of July through December 2014	
Total RPTTF requested for non-administrative obligations	41,557
Total RPTTF requested for administrative obligations	35,000
Total RPTTF requested for obligations	\$ 76,557
Total RPTTF requested for non-administrative obligations	41,557
<u>Cash Balances - Items reclassified to other funding sources</u>	
Item No. 2	(16,557)
Item No. 3	(25,000)
	(41,557)
Total RPTTF authorized for non-administrative obligations	\$0
Total RPTTF authorized for administrative obligations	\$ 35,000
Total RPTTF authorized for obligations	\$ 35,000
Self-reported ROPS 13-14A prior period adjustment (PPA)	0
Finance adjustment to ROPS 13-14A PPA	(1,976)
Total ROPS 13-14A PPA	(1,976)
Total RPTTF approved for distribution	\$ 33,024

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

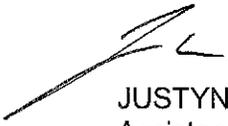
future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 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 Beliz Chappuie, Supervisor or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Henry Graham, Chair, City of Westmorland
Ms. Ann McDonald, Property Tax Manager, Imperial County
California State Controller's Office