



December 17, 2015

Mr. Christopher J. Jicha, Senior Consultant, Kosmont Companies
City of Mendota Designated Local Authority
865 South Figueroa Street, 35th Floor
Los Angeles, CA 90017

Dear Mr. Jicha:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated November 17, 2015. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Mendota Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16B) to Finance on October 5, 2015, for the period of January 1 through June 30, 2016. Finance issued a ROPS determination letter on November 17, 2015. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on November 24, 2015.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- Item Nos. 25, 26, and 27 – Unfunded Debt Service Obligations in the amount of \$2,560,000. Finance no longer denies these items. Our review during the Meet and Confer shows that the Agency did not receive the Redevelopment Property Tax Trust Funds (RPTTF) approved by Finance for the July through December 2014 (ROPS 14-15A), the January through June 2015 (ROPS 14-15B), and the July through December 2015 (ROPS 15-16A) periods. The amounts requested in these items represent past due principal payments on the 1994 Tax Allocation Bonds as confirmed by the Trustee. For these reasons, these are approved for payment from RPTTF on this ROPS.

In addition, per Finance's letter dated November 17, 2015, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- Item No. 29 – Bank Fees for Transfer to Trustee in the amount of \$200 have been reclassified. This item is an enforceable obligation, and should not be classified to the Administrative Cost Allowance (ACA). Therefore, Finance has reclassified the item from the ACA to RPTTF.

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with

the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the county auditor-controller (CAC). Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table below only reflects the Agency's self-reported prior period adjustment.

Except for the items denied in whole or in part, or for the item that has been reclassified, Finance is not objecting to the remaining items listed on your ROPS 15-16B. The Agency's maximum approved RPTTF distribution for the reporting period is \$2,812,086 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of January through June 2016	
Total RPTTF requested for non-administrative obligations	2,811,886
Total RPTTF requested for administrative obligations	200
Total RPTTF requested for obligations on ROPS 15-16B	\$ 2,812,086
Total RPTTF requested for non-administrative obligations	2,811,886
<u>Reclassified Item</u>	
Item No. 29	200
	200
Total RPTTF authorized for non-administrative obligations	\$ 2,812,086
Total RPTTF requested for administrative obligations	200
<u>Reclassified Item</u>	
Item No. 29	(200)
	(200)
Total RPTTF authorized for administrative obligations	\$ 0
Total RPTTF authorized for obligations	\$ 2,812,086
ROPS 14-15B prior period adjustment	0
Total RPTTF approved for distribution	\$ 2,812,086

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (l) (1) (E) requires these balances be used prior to requesting RPTTF.

Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

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

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2016. This determination only applies to items when 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 ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and

Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution statutes. 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 Agency in the RPTTF.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-3274.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Craig Mellon, Chair, Designated Local Authority, City of Mendota
Mr. George Gomez, Accounting Financial Manager, Fresno County