

October 27, 2015

Mr. Ron Ahlers, Finance Director
City of Moorpark
799 Moorpark Avenue
Moorpark, CA 93021

Dear Mr. Ahlers:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the City of Moorpark Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period January 1 through June 30, 2016 (ROPS 15-16B) to the California Department of Finance (Finance) on September 16, 2015. Finance has completed its review of the ROPS 15-16B.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 6 – Bond Arbitrage Fee in the amount of \$10,000 requested for ROPS 15-16B and the total outstanding amount of \$230,000 is not allowed. It is our understanding the agreement is between the City of Moorpark (City) and Bond Logistix, LLC, and the former Redevelopment Agency (RDA) is not a party to nor mentioned in the agreement. Therefore, the item is not an enforceable obligation of the Agency and the requested \$10,000 is not eligible for Redevelopment Property Tax Trust Fund (RPTTF).
- Item No. 22 – Audit of Successor Agency in the amount of \$10,000 requested for ROPS 15-16B and the total outstanding balance of \$230,000 is not allowed. The Agreement notes that the third-party is contracted to conduct financial and compliance audits of the former RDA for an amount not to exceed \$22,000 from fiscal years 2011-12 through 2015-16. It is our understanding the obligation has been funded in full. Therefore, the line item is not an enforceable obligation and the requested \$10,000 is not eligible for RPTTF on this ROPS.
- Item No. 34 – Tax Assessment Payment in the amount of \$10,000 requested for ROPS 15-16B and the total outstanding amount of \$230,000 is not allowed. Finance approved the Agency's Long-Range Property Management Plan (LRPMP) on February 12, 2015. The tax assessment invoice provided identifies the City as the property owner, and the parcel was not listed on the Agency's approved LRPMP. Therefore, the item is not an enforceable obligation of the Agency and the requested \$10,000 is not eligible for RPTTF.

- Item No. 37 – Unfunded Prior Year Pass-Through Payment in the amount of \$224,208 is reclassified to Reserve Balances. The Agency confirmed that it had received funding for this item in the period of June through December 30, 2015 (ROPS 15-16A) and the funds will be expended during the current ROPS period. Seeing as funding has been received by the Agency and no additional funding is needed at this time, Finance is changing the funding source from RPTTF to Reserve Balance in the amount of \$224,208.

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.

In addition, Finance noted on the Agency's ROPS 15-16B prior period adjustment worksheet, the Agency's expenditures exceeded Finance's authorization for the following items:

- Other Funding totaling \$21,307 – Item No. 4, \$1,684; Item No. 5, \$3,950; Item No. 22, \$1,500; Item No. 23, \$988; and Item No. 33, \$3,263.

Per HSC section 34177 (a) (3), only those payments listed on a ROPS may be made by the Agency from the funds specified on the ROPS up to the amount authorized by Finance. HSC sections 34177 (a) (4) and 34173 (h) (1) provide mechanisms when Agency payments must exceed the amounts authorized by Finance. Please ensure the proper expenditure authority is received from your oversight board and Finance prior to making payments on enforceable obligations.

Except for the items denied or reclassified in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 15-16B. If you disagree with Finance's determination with respect to any items on your ROPS 15-16B, except for those items which are the subject of litigation disputing Finance's previous or related determinations, 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 \$1,560,164 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	1,992,294
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations on ROPS 15-16B	\$ 2,117,294
Total RPTTF requested for non-administrative obligations	1,992,294
<u>Denied Items</u>	
Item No. 6	(10,000)
Item No. 22	(10,000)
Item No. 34	(10,000)
	(30,000)
<u>Reclassified Item</u>	
Item No. 37	(224,208)
	(224,208)
Total RPTTF authorized for non-administrative obligations	\$ 1,738,086
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 1,863,086
ROPS 14-15B prior period adjustment	(302,922)
Total RPTTF approved for distribution	\$ 1,560,164

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>

Absent a Meet and Confer, 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.

Mr. Ron Ahlers
October 27, 2015
Page 4

Please direct inquiries to Cindie Lor, Supervisor, or Satveer Ark, Lead Analyst at
(916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Irmina Lumbad, Budget & Finance Manager, City of Moorpark
Ms. Rhoda Farrell, Property Tax Fiscal Manager, Ventura County