



May 17, 2013

Mr. Bret Plumlee, City Manager
City of La Puente
15900 E. Main Street
La Puente, CA 91744

Dear Mr. Plumlee:

Subject: Recognized Obligation Payment Schedule

This letter supersedes California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 14, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of La Puente Successor Agency (Agency) submitted ROPS 13-14A to Finance for the period of July through December 2013. Finance issued its determination related to those enforceable obligations on April 14, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on April 24, 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 the specific item being disputed.

- Prior period adjustment (PPA) in the amount of \$250,219. The Agency contends this adjustment was miscalculated by the County Auditor Controller (CAC) and should reflect corrections needed for actual amounts spent for the July through December 2012 ROPS (ROPS II) Item Nos. 1, 2, and 4. For Item No. 1, the expended amount of \$186,582 was erroneously reported under the reserve balance fund source, instead of Redevelopment Property Tax Trust Fund (RPTTF). The Agency provided documentation to support the payment was actually funded with RPTTF. The CAC also agreed to this update. Therefore, the PPA has been adjusted to reflect the allowed change in fund source from reserve balance to RPTTF.

In addition, it was agreed to by the Agency and Finance during the Meet and Confer that the CAC's adjustments relating to Item No. 2 in the amount of \$1,272 and Item No. 4 in the amount of \$58,509 were accurate. The expenditure of these items occurred during the ROPS III period, in which the Agency requested and was approved for additional RPTTF funding for that period. Therefore, Finance has revised the PPA amount to \$63,637 (250,219 – 186,582).

In accordance with Finance's letter dated April 14, 2013, we are approving all of the items listed on your ROPS 13-14A at this time. This is Finance's final determination related to the enforceable obligations reported on your ROPS for July through December 2013. Finance's determination is effective for this time period only and should not be conclusively relied on 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 Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$221,141 as summarized below:

Approved RPTTF Distribution Amount	
For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 159,778
Minus: Six-month total for items denied or reclassified as administrative cost	
Total approved RPTTF for enforceable obligations	\$ 159,778
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	125,000
Minus: ROPS II prior period adjustment	(63,637)
Total RPTTF approved for distribution:	\$ 221,141

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the above table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14A%20Forms%20by%20Successor%20Agency/).

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. 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 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 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.

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

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Raul Purificacion, Finance Manager, City of La Puente
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office