DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
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April 20, 2012

Deborah Sultan, Finance Director
City of Sanger
1700 7th Street
Sanger, CA 93657

Dear Ms. Sultan:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Sanger, Successor Agency (City) submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 10, 2012, for the periods of January through June 2012 and July through December 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations (EO) characteristics. Based on a sample of items reviewed and application of the law, the following items do not qualify as EOs and are applicable to both ROPS periods:

- Page 1, item 3, for a loan agreement in the amount of $1,169,373. No documentation to support this obligation was provided.

- Page 1, item 5, for a contract in the amount of $7,000. The City did not provide documentation to support this item.

- Page 1, item 6, in the amount of $4,228. HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that one of the two contracts provided to support this item was signed August 19, 2011. Because the City did not identify how much of the $4,228 was related to the contract that was signed after the cut-off date, the total payment amount is questioned.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS item noted above to be ineffective until Finance approval.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Cindie Lor, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Robin Cook, Senior Accountant, Fresno County Auditor Controller
George Gomez, Accounting Financial Manager, Fresno County Auditor Controller