

SUISUN CITY REDEVELOPMENT AGENCY

ASSET TRANSFER REVIEW

Review Report

January 1, 2011, through January 31, 2012



JOHN CHIANG
California State Controller

February 2014



JOHN CHIANG
California State Controller

February 19, 2014

Suzanne Bragdon, City Manager
City of Suisun City
701 Civic Center Boulevard
Suisun City, CA 94585

Dear Ms. Bragdon:

Pursuant to Health and Safety (H&S) Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Suisun City Redevelopment Agency (RDA) to the City of Suisun City (City) or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether it should be turned over to the Successor Agency.

Our review applied to all assets including but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers of assets to the City or any other public agencies have been reversed.

Our review found that the RDA transferred \$79,445,996 in assets after January 1, 2011, including unallowable transfers totaling \$72,859,770, (\$48,019,623 to the City and \$24,840,147 to the Housing Authority), or 91.71% of the transferred assets.

However, on June 30, 2012, the City turned over \$4,239,538 in cash to the Successor Agency. Therefore, the remaining amount of unallowable transfers, totaling \$68,620,232, must be turned over to the Successor Agency.

If you have any questions, please contact Elizabeth Gonzalez, Bureau Chief, Local Government Compliance Bureau, by phone at (916) 324-0622.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/kw

cc: Jason Garben, Economic Development Director
City of Suisun City
Jim Spering, Chairman of the Oversight Board
for the Successor Agency to the Suisun City Redevelopment Agency
Simona Padilla-Scholtens, CPA, Auditor-Controller
County of Solano
David Botelho, Program Budget Manager
California Department of Finance
Richard J. Chivaro, Chief Legal Counsel
State Controller's Office
Elizabeth Gonzalez, Bureau Chief
Division of Audits, State Controller's Office
Betty Moya, Audit Manager
Division of Audits, State Controller's Office
Margaux Clark, Auditor-in-Charge
Division of Audits, State Controller's Office

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Asset Transfer Review Report

Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the Suisun City Redevelopment Agency (RDA) after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the RDA transferred \$79,445,996 in assets after January 1, 2011, including unallowable transfers totaling \$72,859,770, (\$48,019,623 to the City of Suisun City (City) and \$24,840,147 to the Housing Authority), or 91.71% of the transferred assets.

However, on June 30, 2012, the City turned over \$4,239,538 in cash to the Successor Agency. Therefore, the remaining amount of unallowable transfers, totaling \$68,620,232, must be turned over to the Successor Agency.

Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA Successor Agencies to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety Code (H&S Code) beginning with section 34161.

In accordance with the requirements of H&S Code section 34167.5, the State Controller is required to review the activities of RDAs, "to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency, or any other public agency, and the redevelopment agency," and the date on which the RDA ceases to operate, or January 31, 2012, whichever is earlier.

The SCO has identified transfers of assets that occurred after January 1, 2011, between the RDA, the City, and/or other public agencies. By law, the SCO is required to order that

such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal order to ensure compliance with this order.

Objective, Scope, and Methodology

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA, or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the City, the RDA, the Successor Agency, and the Oversight Board.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

Conclusion

Our review found that the Suisun City Redevelopment Agency transferred \$79,445,996 in assets after January 1, 2011, including unallowable transfers totaling \$72,859,770, (\$48,019,623 to the City of Suisun City and \$24,840,147 to the Housing Authority), or 91.71% of the transferred assets.

However, on June 30, 2012, the City turned over \$4,239,538 in cash to the Successor Agency. Therefore, the remaining amount of unallowable transfers, totaling \$68,620,232, must be turned over to the Successor Agency.

Details of our findings are in the Findings and Orders of the Controller section of this report.

Views of Responsible Official

We issued a draft review report on September 18, 2013. Jason Garben, Economic Development Director, responded by letters dated October 1, 2013, and October 2, 2013, agreeing with the review results other than a few discrepancies. The Successor Agency's responses are included in this final report as an attachment.

Restricted Use

This report is solely for the information and use of the Successor Agency, Oversight Board, the Housing Authority, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

February 19, 2014

Findings and Orders of the Controller

FINDING 1— Unallowable asset transfers to the City of Suisun City

The redevelopment agency (RDA) transferred \$48,019,623, described in Schedule 1, in assets to the City. The asset transfers to the City occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011. Those assets consisted of current and capital assets.

Unallowable asset transfers were as follows:

- On March 8, 2011, the RDA transferred \$4,686,658 in cash to the City:
 - The transfer included \$2,936,660 in cash for the Civic Center reimbursement obligation. To accomplish the transfer, the City and RDA adopted resolutions amending the payment schedule associated with the Civic Center Certificate of Participation Financing Arrangement. However, on June 30, 2012, the City returned \$2,936,660 in cash to the Successor Agency.
 - The remaining \$1,749,998 in cash was transferred to the City in repayment of the advance from the City to fund the Harbor Center Street Extension Project. To accomplish the transfer, the RDA and City passed and adopted RDA Resolution 2011-12 and City Resolution 2011-2 amending the payment schedule for the purpose of accelerating payment.
- On March 8, 2011, the RDA transferred \$17,580,719 in capital assets to the City. To accomplish the transfer, the RDA, the City, and the Housing Authority entered into a transfer agreement for the transfer of certain properties owned by the RDA. RDA Resolution 2011-18 was passed and adopted.
- On April 26, 2011, the RDA transferred \$1,047,100 in cash to the City to fund a portion of the Railroad Extension Project. To accomplish the transfer, the RDA and the City entered into a contract on March 8, 2011, stating that the RDA would perform economic development services. However, on June 30, 2012, the City returned \$1,047,100 in cash to the Successor Agency.
- On June 30, 2011, the RDA transferred \$255,778 in cash to the City for the following activities:
 - \$150,000 was transferred to the City for the Crystal School Site Development Project. To accomplish the transfer, the RDA and City passed and adopted RDA Resolution 2011-17 and City Resolution 2011-25.

- \$105,778 was transferred to the City in repayment of the Main Street West Disposition and Development Agreement Business Loans.

However, on June 30, 2012, the City returned the full \$255,778 to the Successor Agency.

- On July 31, 2011, the RDA transferred \$21,987,830 in capital assets to the City. The transfer consisted of land (\$424,341), buildings (\$16,923,892), improvements (\$3,104,573), parking lots (\$511,007), walkways (\$274,172), and construction in progress (\$749,845).
- On January 31, 2012, and February 1, 2012, the City received \$2,461,538 in current assets consisting of cash (\$241,722), receivables (\$71,685, \$1,023,890, \$912,163, \$940, and \$13,931), and a certificate of deposit (\$197,207).

Pursuant to Health and Safety (H&S) Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. Those assets should be turned over to the Successor Agency for disposition in accordance with H&S Code section 34177 (d) and (e). However, it appears that some of those assets may be subject to the provisions of H&S Code section 34181(a). H&S Code section 34181(a) states:

The oversight board shall direct the successor agency to do all of the following:

- a) Dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were construed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. . . .

Order of the Controller

Based on H&S Code Section 34167.5, Suisun City is ordered to reverse the transfer of the above assets, described in Schedule 1, in the amount of \$48,019,623; however, the City returned cash in the amount of \$4,239,538 to the Successor Agency on June 30, 2012. Therefore, only the remaining amount of \$43,780,085 must be turned over to the Successor Agency.

The Successor Agency is directed to properly dispose of those assets in accordance with H&S Code sections 34177(d) and (e) and 34181(a).

City’s Response

The City is generally in agreement with the findings on the draft report, but noticed the following discrepancy where its records do not match the figures provided in the draft Asset Transfer Review Report:

Finding 1					
Item	Description	SCO Schedule 1	City Records	Variance	
1	Cash Returned to Successor Agency (June 30, 2012)	\$ 4,239,538	\$ 4,330,200	\$ -90,662	

SCO’s Comments

While we believe our numbers are correct, we have no objection to the City using its numbers to resolve this issue. The finding and Order of the Controller stands for the revised amount.

**FINDING 2—
Unallowable asset transfers to the Suisun City Housing Authority**

The RDA transferred \$24,840,147, described in Schedule 2, in Low and Moderate Income Housing Assets to the Housing Authority. The asset transfers to the Housing Authority occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011. Those assets consisted of current and capital assets.

Unallowable asset transfers were as follows:

- On March 8, 2011, the RDA transferred \$6,822,995 in property to the Housing Authority. To accomplish the transfer, the RDA, the City, and the Housing Authority entered into a transfer agreement for the transfer of certain properties owned by the RDA. RDA Resolution 2011-18 and Housing Authority Resolution 2011-01 were passed and adopted.
- On March 8, 2011, the Housing Authority received \$842,758 (\$817,173, \$531,171, and \$24,883) in housing assets and functions of the dissolved RDA. The Housing Property Management Fund transferred consisted of cash, cash reserves, rent receivables, and prepaid expenses. RDA Resolution 2011-18 and Housing Authority Resolution 2011-01 were passed and adopted.
- On January 31, 2012, the Housing Authority received \$17,174,394 (\$4257,027, \$10,529,916, and \$6,901,505) in housing assets and functions of the dissolved RDA. To accomplish the transfer, the RDA and the City, acting as Successor Agency to the former RDA, passed and adopted Successor Agency Resolution 2012-3 and Housing Authority Resolution 2012-01.

Pursuant to H&S Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. Those assets should be turned over to the Successor Agency for disposition in accordance with H&S Code Section 34177(d) and (e). However, it appears that some of those assets may be subject to the provisions of H&S Code section 34181(c). H&S Code section 34181(c) states:

The oversight board shall direct the successor agency to do all of the following:

- a) Dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were construed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. . . .

Order of the Controller

Based on H&S Code section 34167.5, the Housing Authority of the City of Suisun City is ordered to reverse the transfer of the above assets, described in Schedule 2, in the amount of \$24,840,147 and turn them over to the Successor Agency.

City’s Response

The City is generally in agreement with the findings on the draft report, but it noticed a discrepancy. Figures in its records do not match the figures provided in the draft Asset Transfer Review Report, as follows:

Finding 2

Item	Description	SCO Schedule 1	City Records	Variance
2	Cash Transfer to City (March 8, 2011)	\$ 817,173	\$ 817,950	\$ -777
3	Long Term Recivable (January 31, 2012)	10,529,916	10,540,216	-10,300
4	Due from Redevelopment (January 31, 2012)	6,644,478	6,901,505	-257,027

SCO’s Comments

While we believe our numbers are correct, we have no objection to the city using its numbers to resolve the issue. The finding and Order of the Controller stand for this revised amount.

**Schedule 1—
Unallowable RDA Asset
Transfers to the City of Suisun City
January 1, 2011, through January 31, 2012**

Unallowable asset transfers to the City of Suisun City

Current assets:

Cash transfer to the City (March 8, 2011)	\$ 4,686,658
Cash transfer to the City (April 26, 2011)	1,047,100
Cash transfer to the City (June 30, 2011)	255,778
Cash transfer to the City (February 1, 2012)	241,722
Account receivable (January 31, 2012)	71,685
Loans receivable (January 31, 2012)	1,023,890
Notes receivable (January 31, 2012)	912,163
Interest receivable (January 31, 2012)	940
Rent receivable (February 1, 2012)	13,931
CD loan guaranty (January 31, 2012)	197,207

Capital assets:

Land (\$17,580,719 on March 8, 2011 and \$424,341 on July 31, 2011)	18,005,060
Buildings (July 31, 2011)	16,923,892
Improvements of buildings (July 31, 2011)	3,104,573
Concrete walkway (July 31, 2011)	274,172
Parking lots (July 31, 2011)	511,007
Construction in progress (July 31, 2011)	749,845

Total unallowable transfers to the City	48,019,623
Cash returned to Successor Agency on June 30, 2012	(4,239,538)

Total transfers subject to H&S Code Section 34167.5	<u>\$ 43,780,085¹</u>
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¹ See the Findings and Orders of the Controller section.

**Schedule 2—
Unallowable RDA Asset Transfers to
the Suisun City Housing Authority
January 1, 2011, through January 31, 2012**

Unallowable asset transfers to the Housing Authority

Current assets:

Cash transfer to City (March 8, 2011)	\$ 817,173
Prepaid expenses (March 8, 2011)	531
Rent receivable (March 8, 2011)	171
Reserves/Trustee (March 8, 2011)	24,883
Cash (January 31, 2012)	(257,027)
Long term receivables (January 31, 2012)	10,529,916
Due from Redevelopment (January 31, 2012)	6,901,505

Capital assets:

Land (March 8, 2011)	<u>6,822,995</u>
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Total transfers subject to H&S Code section 34167.5	<u>\$ 24,840,147 ¹</u>
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¹ See the Findings and Orders of the Controller section.

**Attachment—
City of Suisun City's Response
to Draft Review Report**

CITY COUNCIL

Pedro "Pete" M. Sanchez, Mayor
Mike Hudson, Mayor Pro-Tem
Jane Day
Michael A. Segala
Lori Wilson



CITY COUNCIL MEETING

First and Third Tuesday
Every Month

CITY OF SUISUN CITY

701 Civic Center Blvd.
Suisun City, California 94585
Incorporated October 9, 1868

October 1, 2013

Mr. Steven Mar, Chief
Local Government Audit Bureau
Division of Audits
State Controller's Office
PO Box 942850
Sacramento, CA 94258-5874

Dear Mr. Mar:

I received the draft of the Asset Transfer Review of the former Suisun City Redevelopment Agency completed by the State Controller's Office on September 23, 2013. Generally, we are in agreement with the findings of the draft report, but noticed four discrepancies whereby our records do not match the figures provided in the draft Asset Transfer Review. The Schedule of Variances table below summarizes the discrepancies we noted:

Schedule of Variances				
State Controller's Office Asset Transfer Review of Former Suisun City Redevelopment Agency				
Finding 1				
Item	Description	SCO Schedule 1	City Records	Variance
1	Cash Returned to Successor Agency (June 30, 2012)	\$4,239,538	\$4,330,200	-\$90,662
Finding 2				
Item	Description	SCO Schedule 2	City Records	Variance
2	Cash Transfer to City (March 8, 2011)	\$817,173	\$817,950	-\$777
3	Long Term Receivables (January 31, 2012)	\$10,529,916	\$10,540,216	-\$10,300
4	Due from Redevelopment (January 31, 2012)	\$6,644,478	\$6,901,505	-\$257,027

I've also attached the Schedule of Variances along with our General Ledger detail regarding the numbers provided in the "City Records" column. We look forward to the opportunity to

DEPARTMENTS: AREA CODE (707)
ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS
421-7340
SUCCESSOR AGENCY 421-7309 FAX 421-7366

reconcile the variances noted, and to answer any other questions so we may proceed and complete this component of the dissolution process.

If you have any questions, please contact me via phone at 707-421-7347 or email at jgarben@suisun.com.

Regards,

A handwritten signature in black ink, appearing to read "Jason D. Garben". The signature is fluid and cursive, with the first name "Jason" being the most prominent.

Jason D. Garben
City of Suisun City
Economic Development Director

Attachment

Cc: File
Beth Luna, Senior Accountant
Suzanne Bragdon, City Manager

Schedule of Variances				
State Controller's Office Asset Transfer Review of Former Suisun City Redevelopment Agency				
Finding 1				
Item	Description	Sub Schedule 1	City Records	Variance
1	Cash Returned to Successor Agency (June 30, 2012)	\$4,239,538	\$4,330,200	-\$90,662
Finding 2				
Item	Description	Sub Schedule 2	City Records	Variance
2	Cash Transfer to City (March 8, 2011)	\$817,173	\$817,950	-\$777
3	Long Term Receivables (January 31, 2012)	\$10,529,916	\$10,540,216	-\$10,300
4	Due from Redevelopment (January 31, 2012)	\$6,644,478	\$6,901,505	-\$257,027

Report Date: 09/23/13
 Run Date: 09/23/13 17:11
 Run by: BETH

CITY OF SUISUN CITY
 G/L Trial Balance - Detail in the Order of FUND
 For All Accounts
 With a Mask of 902 79410 ****

Page: 1
 ID #: GLTB
 CTL: SUI

Beginning of: June 1, 2012 (12-12) Thru Ending of: June 30, 2012 (12-12)

G/L Account No	Ctr	Cal.	Fiscl	Date	Jrnl	Line	Description	Activity Amt	Balances	Extension
902 79410 3513							RDA Obligation Other Misc Rev SA Oth Rec Obll			
							Balance June 1, 2012 (12-12)		-315.46	
Jun 2012	12-2012	06/30/12	AJ-98			0004	AJ40-RECLASS REVENUE/EXPENSE ACCOUNT. CAN'T TRANSFER IN/TRANSFER OUT IF DIFFERENT ENTITY. (RECOMMENDED BY AUDITOR) THESE AMOUNTS REPRESENT RETURN OF TRANSFERS MADE IN MARCH 2011 FROM RDA FUNDS.	-2,936,700.00	-2,936,700.00	
Jun 2012	12-2012	06/30/12	AJ-98			0008	AJ40-RECLASS REVENUE/EXPENSE ACCOUNT. CAN'T TRANSFER IN/TRANSFER OUT IF DIFFERENT ENTITY. (RECOMMENDED BY AUDITOR) THESE AMOUNTS REPRESENT RETURN OF TRANSFERS MADE IN MARCH 2011 FROM RDA FUNDS.	-1,393,500.00	-4,330,200.00	
Annual Budget						.00	Remaining Balance	4,330,515.46	Activity ----> -4,330,200.00	
Annual Budget						.00	Remaining Balance	4,330,515.46	Activity ----> .00	-4,330,200.00
							Balance June 30, 2012 (12-12)		-4,330,515.46	



REPORT: 9/23/13
RUN.....: 09/23/13
Run By.: HETH

CITY OF SUISUN CITY
Balance Sheet Report
FUND 907 - ALMOND GARDENS

PAGE: 001
ID #: GLBS
CTL.: SUI

Ending Calendar Date.: March 31, 2011 / Fiscal (09-11)

Assets

01103	PETTY CASH FUND	200.00	
01105	CASH IN BANK	688,651.61	
01113	RENT RECEIVABLE	171.00	
01116	PREPAID INSURANCE	244.35	
01118	PREPAID EXPENSE	287.04	
01123	RESERVE/TRUSTEE	24,883.38	
01153	CASH ACCT - SEC. DEPOSITS	10,142.52	
01154	CASH ACCT-REPLAC. RESERVS	107,725.47	
01155	CASH ACCT - SEC DEP - C.D.	21,372.48	
Total of Assets ---->		853,677.85	853,677.85

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excl. bal
sch 2 page 7

Liabilities

04471	ACCOUNTS PAYABLE	14,931.06
04483	DEFERRED REVENUE	54.00
04490	SECURITY DEPOSIT-REDEVEL. RENTLS	30,763.00
Total of Liabilities ---->		45,748.06

FUND Balances

06662	RESERVE FOR REPLACEMENT	95,346.32	
06675	FUND BALANCE-UNDESIGNATED	659,211.29	
06684	CONTRIBUTED CAPITAL	95,423.27	
06685	RETAINED EARNINGS	1,592.00	
CURRENT EARNINGS		-44,043.09	
Total of FUND Balances ---->		807,929.79	853,677.85

Report Date: 09/30/13
 Run Date: 09/30/13 09:50
 Run by: BETH

CITY OF SUISUN CITY
 G/L Trial Balance - Detail in the Order of FUND
 For All Accounts From 905 01135 To 905 01165
 With a Mask of 905 *****

Page: 1
 ID #: GLTB
 CTL: SUI

Beginning of: December 1, 2011 (06-12) Thru Ending of: January 31, 2012 (07-12)

G/L Account No	Ctr	Cal.	Fiscl	Date	Jrnl	Line	Description	Activity Amt	Balances	Extension
905 01135							HOUSG SET-ASIDE LONG TERM REC-HUMP PL-PRINCIPAL			
							Balance December 1, 2011 (06-12)		1,936,858.74	
				Jan 2012 07-2012	01/31/12	AJ-68	0006 AJ40 - TO TRANSFER TO HOUSING SUCCESSOR. FROM FUND 905 TO FUND 903	-1,936,858.74	-1,936,858.74	
							** Budget not Applicable **	Activity ---->	-1,936,858.74	
							** Budget not Applicable **	Activity ---->	.00	-1,936,858.74
							Balance January 31, 2012 (07-12)		.00	
905 01140							HOUSG SET-ASIDE LONG TERM -RECV -BRIDGE TOWER			
							Balance December 1, 2011 (06-12)		6,645,442.00	
				Jan 2012 07-2012	01/31/12	AJ-68	0008 AJ40 - TO TRANSFER TO HOUSING SUCCESSOR. FROM FUND 905 TO FUND 903	-6,645,442.00	-6,645,442.00	
							** Budget not Applicable **	Activity ---->	-6,645,442.00	
							** Budget not Applicable **	Activity ---->	.00	-6,645,442.00
							Balance January 31, 2012 (07-12)		.00	
905 01145							HOUSG SET-ASIDE LONG-TERM REC-HUMP PL INTEREST			
							Balance December 1, 2011 (06-12)		74,788.32	
				Dec 2011 06-2012	12/05/11	10-02	0056 CH-Code HUMPH [000-69496 L0001 BAY HOMES LOAN PMT. HUMPHREY PLACE OCT 11 SURPLUS CASH SLC HUMPHREY PLACE OCT 11 SURPLUS CASH SLC HUMPHREY PLACE OCT 11 SURPLUS CASH SLC	-1,300.00	-1,300.00	
				Jan 2012 07-2012	01/30/12	10-17	0154 CH-Code HUMPH [001-78292-L0001 BAY HOMES LOAN PMT. HUMPHREY PLACE DEC 11 SURPLUS CASH SLC HUMPHREY PLACE DEC 11 SURPLUS CASH SLC HUMPHREY PLACE DEC 11 SURPLUS CASH SLC	-9,000.00	-10,300.00	
				Jan 2012 07-2012	01/31/12	AJ-68	0010 AJ40 - TO TRANSFER TO HOUSING SUCCESSOR. FROM FUND 905 TO FUND 903	-64,488.32	-74,788.32	
							** Budget not Applicable **	Activity ---->	-74,788.32	
							** Budget not Applicable **	Activity ---->	.00	-74,788.32
							Balance January 31, 2012 (07-12)		.00	
905 01148							HOUSG SET-ASIDE LONG TERM NOTE RECV-FTHB PROG			
							Balance December 1, 2011 (06-12)		1,883,127.18	
				Jan 2012 07-2012	01/31/12	AJ-68	0012 AJ40 - TO TRANSFER TO HOUSING SUCCESSOR. FROM FUND 905 TO FUND 903	-1,883,127.18	-1,883,127.18	
							** Budget not Applicable **	Activity ---->	-1,883,127.18	
							** Budget not Applicable **	Activity ---->	.00	-1,883,127.18
							Balance January 31, 2012 (07-12)		.00	
905 01165							HOUSG SET-ASIDE DUE FROM REDEVELOPMENT			
							Balance December 1, 2011 (06-12)		6,901,505.00	
				Jan 2012 07-2012	01/31/12	AJ-68	0014 AJ40 - TO TRANSFER TO HOUSING SUCCESSOR. FROM FUND 905 TO FUND 903	-6,901,505.00	-6,901,505.00	
							** Budget not Applicable **	Activity ---->	-6,901,505.00	✓
							** Budget not Applicable **	Activity ---->	.00	-6,901,505.00
							Balance January 31, 2012 (07-12)		.00	

CITY COUNCIL

Pedro "Pete" M. Sanchez, Mayor
Mike Hudson, Mayor Pro-Tem
Jane Day
Michael A. Segala
Lori Wilson



CITY COUNCIL MEETING

First and Third Tuesday
Every Month

CITY OF SUISUN CITY

701 Civic Center Blvd.
Suisun City, California 94585
Incorporated October 9, 1868

October 2, 2013

7

Mr. Steven Mar, Chief
Local Government Audit Bureau
Division of Audits
State Controller's Office
PO Box 942850
Sacramento, CA 94258-5874

Dear Mr. Mar:

In addition to the letter dated October 1, 2013, I sent you regarding the four discrepancies found during our review of the draft Asset Transfer Review of the former Suisun City Redevelopment Agency, I wanted to be sure to note the City has a pending lawsuit in the Sacramento Superior Court against the State of California and other related parties entitled City of Suisun City v. Matosantos, et al., Case No. 34-2013-00146458. That lawsuit includes a legal challenge concerning the State's prior findings, made by the DOF, that \$1,749,998 in cash paid back to the City as a loan re-payment for the Harbor Center Street Expansion Project must be returned for distribution to various taxing entities, among other matters in the City's lawsuit. The Sacramento Superior Court now has exclusive jurisdiction pursuant to Health & Safety Code § 34168 to decide these matters. Therefore, consistent with applicable law, the SCO should not make any final determinations on matters that are currently in pending litigation before the Court.

If you have any questions, please contact me via phone at 707-421-7347 or email at jgarben@suisun.com.

Regards,

Jason D. Garben
City of Suisun City
Economic Development Director

Cc: File
Beth Luna, Senior Accountant
Suzanne Bragdon, City Manager
Anthony Taylor, City Attorney

DEPARTMENTS: AREA CODE (707)
ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS
421-7340
SUCCESSOR AGENCY 421-7309 FAX 421-7366

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>