

**State Controller Responsibilities and Outcomes
Under AB1x-26 and AB-1484**

Transfer of Assets Reviews: The SCO will identify assets, including cash, transferred by the Redevelopment Agency (RDA) to the city or county that established the RDA or to another local agency. If the asset was transferred after 01/01/2011, and is not exempt, the State Controller's Office (SCO) will order the asset returned to the Successor Agency for disposition as approved by the Oversight Board. Disposition can include transfer to a designated local housing agency or to a local agency if the asset is for a government purpose (e.g. – government building).

Reviews required	400
Reviews completed	13
Unallowable transfers	\$366.6 million
Reviews in progress	51
Projected completion of all reviews	12/31/2013

Most of the unallowable transfers occurred in February and March of 2011 (after the original RDA dissolution legislative proposal was introduced) and January 2012 (after the Supreme Court decision). Approximately ½ of the unallowable transfers involve assets that the Oversight Board may consider housing or government purpose.

Claims of Insufficiency: If the Successor Agency believes it will receive insufficient funds to meet all allowable expenditures on a Recognized Payment Obligation Schedule (ROPS), it can file a claim with the County Auditor-Controller (CAC). Upon the CAC's verification of the claim it is sent to SCO for review. The SCO has three days to request a review of the claim and ten days to review and concur or return to the CAC for reconsideration. The results are as follows:

	ROPS II <u>1/1/12 – 6/30/12</u>	ROPS III <u>7/1/12 – 12/31/12</u>
SCO Concurred with Insufficiency Claim	12	25
CAC/SCO Determined Sufficient Funds	7	9
Claim withdrawn or not submitted	<u>51</u>	<u>2</u>
Total	70	36

Audit Guidelines: The SCO has coordinated the development of the following audit guidelines:

- Due Diligence audits of Low/Mod cash and of all other funds. The Successor Agency is to contract for such audits.
- Agreed-Upon-Procedure audits by CACs to determine the assets and liabilities of the former RDAs on 1/31/2012.
- Annual financial audits of Successor Agencies (new requirement under AB-1484).

Audits of Successor Agencies: The SCO has authority to review Successor Agency transactions to determine that they are allowable under an approved ROPS. This is a new requirement under AB-1484.