



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

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Date: December 14, 2009
To: County, Cities, and Special Districts
From: Sally Zutter, Accounting Division Manager
RE: **Final Amount of Your Local Agency's Mandatory Loan to the State**

My letter dated 10/23/09, included the **certified amount** for your local agency's **mandatory loan** of local property taxes to the State. This amount was subject to change for any 'extreme hardship' filings approved by the State Department of Finance (DOF), which would be reallocated to the remaining local agencies in the same county.

The DOF had a December 10, 2009 deadline to approve and certify any partially/fully approved "extreme hardship" filings. The DOF has advised that there were NO "extreme hardships" approved for any local agency throughout the entire state. The reasoning was that all local agencies filing for extreme hardship were fully funded through the securitization program; thereby, eliminating the eligibility for DOF approval (because the local agency was made whole).

The amounts shown on my letter of October 23, 2009 are the FINAL amounts. You may view the letter at the following website: <http://www.co.el-dorado.ca.us/auditor-controller/PropTax/Prop1A.html>.

Half of this amount must be deducted from your local agency by January 15, 2010, and the other half by May 3, 2010. Procedurally, the December 10 current year secured taxes will be apportioned as soon as possible prior to December 24, 2009. Immediately thereafter, the loan will be transferred (via JE) out of your local agency's current year secured taxes and into the required Supplemental Revenue Augmentation Fund (SRAF). Please validate the JE against your loan amount to ensure accuracy. In early February, your local agency will receive a JE for any county treasury pooled interest earnings lost from the date of the transfer through January 14, 2009. This process will be repeated for the May 3, 2010 loan payment.

The State is scheduled to fully repay the loan no later than June 13, 2013 (only affects those local agencies who didn't securitize).

Please contact me at (530)621-5480 with any questions.