

Board Meeting of  
April 27, 2012

Honorable Chair and Members  
of the City of Torrance Oversight Board  
City Hall  
Torrance, California

**SUBJECT: Review of Successor Agency Cash Flow Analysis and Budget.**

**RECOMMENDATION**

Recommendation that the Oversight Board review the Torrance Successor Agency Cash Flow Analysis and Budget for January through June of 2012.

**BACKGROUND AND ANALYSIS**

The Torrance Successor Agency Cash Flow for January through June of 2012 reflects a projected negative balance of \$796,677 (see attachment A). The Successor Agency started with a cash balance as of January 31, 2012 of \$318,299. Projected expenditures covering bond payments and qualified developer's payments through June of 2012 totals \$1,114,976. The primary cause of the deficit balance is due to the interpretation by the County of Los Angeles on the distribution of Property Tax Funds as a result of implementing ABX1-26. The Torrance Redevelopment Agency received one less property tax allocation this year resulting in the deficit cash balance.

As mentioned above, the Successor Agency is operating with a negative cash balance which means that insufficient revenues exist to fund any expenses that are not on the July through June 2012 ROPS. A budget for the Oversight Board to pay expenses such as legal counsel, minute recording secretaries, postage and other materials and supplies will have to be addressed at a time when funding becomes available.

Respectfully submitted,



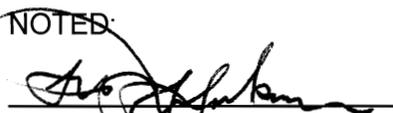
Eric E. Tsao  
Finance Director

CONCUR:



Brian K. Sunshine  
Assistant to the City Manager

NOTED:



LeRoy Jackson  
City Manager

Attachment:

- A) Cash flow analysis

**City of Torrance  
Successor Agency****ATTACHMENT A**

Cash, January 31, 2012	\$	318,298.97
ROPS Expenditures:		
Salaries		(28,598.28)
Payment American Honda		(48,000.00)
Bond payments		(788,378.13)
Admin		(250,000.00)
Total Expenditures		(1,114,976.41)
Cash projected, June 30, 2012	\$	(796,677.44)