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*cc update*

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**TO:** The Lemoore Redevelopment Agency Board Members and Staff  
**FROM:** Carol Wood, City Accountant *yo*  
**DATE:** August 31, 2011  
**SUBJECT:** Redevelopment Financial Workshop

*Jeff  
Carlos  
Judy*

The workshop confirmed that the Health and Safety codes have not been changed with regards to the standard Statement of Indentedness (SOI), State Controller's Report (SCR) and the Housing Report (HCD).

It shared some of the philosophy of why and what should be put on the new EOPS we submitted on August 22.

My real concern as to how we set up our budget and the funds we currently have to accomplish all of what we need to report and track. The issues have to do with account jargon and what we call General Accepted Accounting Procedures (GAAP) and Non GAAP. The State Housing Reports and the Redevelopment staff get more accurate information from the Accounting Records if they are in a "non-GAAP" form. The State Controllers Report and the Audited Financials need to be in a GAAP form. The solution is to "GAAP" the Accounts during the final clean up period before the Auditors arrive. This can be done without too much extra time spent on the project.

We need to eliminate the General Admin Fund (100) and review the Debt Service Fund (101). The Tax Increment needs to conform to the law and be captured in a Debt Service Funds. Currently we capture it in a fund that is added to the Capital Projects Funds. Debt Service Funds, Special Revenue Funds and Capital Project Funds are the only funds out lined in the Health and Safety Code that redevelopment are allowed. We need to eliminate some and add several Capital Project Funds to our lists. Each Bond we have should have its own Capital Projects Fund and should contain just those projects outlined in the Bond documents. Currently, we do not have that structure.

I will be working the correct structure over the next few months; I will review the outline with staff and the board, if they wish, before implementing any permanent changes. We need to complete this task before next year's budget.

The final yet most important item is there are new Guidelines for the Compliance Audit for the RDA. We have a copy and I will provide the Auditors with it, when they arrive.