



Transmitted via e-mail

April 12, 2024

Josalynn Valdez, Finance Manager
City of Lemoore
711 West Cinnamon Drive
Lemoore, CA 93245

2024-25 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Lemoore Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025 (ROPS 24-25) to the California Department of Finance (Finance) on February 1, 2024. Finance has completed its review of the ROPS 24-25.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 3 – 2011 Bonds in the requested amount of \$77,484 have been reclassified from Redevelopment Property Tax Trust Fund (RPTTF) to Bond Proceeds. The Agency has \$238,586 in its bond reserve account, which must be used to satisfy the final debt service payment. Therefore, with the Agency's concurrence, the requested \$77,484 has been reclassified from RPTTF to Bond Proceeds. Additionally, the remaining \$161,102 will no longer be needed as a reserve requirement and is considered unrestricted funds available to the Agency. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding on a future ROPS.
- Item No. 33 – Cash Shortfall of \$645,529 is not allowed. Finance continues to deny this item. The Agency was unable to provide sufficient documentation to support the requested amount. Therefore, the requested \$645,529 in RPTTF funding is not allowed. To the extent the Agency can provide suitable supporting documentation, this item may be considered on a future ROPS.
- Item No. 34 – Prior Period Adjustment Error of \$540 is not necessary. The Agency requests \$540 due to an inadvertent entry error on the ROPS 21-22 prior period adjustments (PPA) form. As noted below, Finance has corrected the entry on the PPA form; therefore, the requested \$540 in RPTTF funding is not needed.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2021 through June 30, 2022 (ROPS 21-22) period. The ROPS 21-22 PPA will offset the ROPS 24-25 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency as adjusted by Finance. Specifically, Finance corrected an inadvertent entry error for actual Administrative RPTTF expended from \$43,178 to \$43,718, reducing the PPA by \$540 from \$97,683 to \$97,143.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,248,508, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2024 through December 31, 2024 period (ROPS A period), and one distribution for the January 1, 2025 through June 30, 2025 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 24-25 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 24-25 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 24-25, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 24-25. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 24-25 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 24-25 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

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The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Original signed by:

Cheryl L. McCormick, CPA
Chief, Office of State Audits and Evaluations

cc: Kevin Northcraft, Interim City Manager, City of Lemoore
Kristina McKay, Property Tax Manager/Countywide Oversight Board
Representative, Kings County

Approved RPTTF Distribution July 2024 through June 2025			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 1,832,194	\$ 177,045	\$ 2,009,239
Administrative RPTTF Requested	29,965	30,000	59,965
Total RPTTF Requested	1,862,159	207,045	2,069,204
RPTTF Requested	1,832,194	177,045	2,009,239
<u>Adjustment(s)</u>			
Item No. 3	(77,484)	0	(77,484)
Item No. 33	(645,529)	0	(645,529)
Item No. 34	(540)	0	(540)
	(723,553)	0	(723,553)
RPTTF Authorized	1,108,641	177,045	1,285,686
Administrative RPTTF Authorized	29,965	30,000	59,965
ROPS 21-22 prior period adjustment (PPA)	(97,143)	0	(97,143)
Total RPTTF Approved for Distribution	\$ 1,041,463	\$ 207,045	\$ 1,248,508