

**MINUTES OF THE FOWLER CITY COUNCIL
FOWLER REDEVELOPMENT AGENCY AND
FOWLER PUBLIC FINANCING AUTHORITY
SPECIAL JOINT MEETING
MAY 3, 2005**

Mayor/Chairman Simonian called the meeting to order in the Council Chambers at 7:15 p.m.

Councilmembers/Directors present: Simonian, Shaw, Aguayo, Cardenas, & Nagata

City/Agency/Authority staff present: City Manager/Executive Director Elias, City Clerk/Secretary Davis, Finance Director/Treasurer Wong, Community Development Director Deaver, Police Chief Jamgochian, Senior/Recreation Director Monis, City Attorney Wolfe

Also present: City Auditor Gus Corona

PRESENTATION OF THE 2003-2004 FISCAL YEAR AUDITS

City Auditor Gus Corona presented the audits for the City, Redevelopment Agency (RDA) and Public Financing Authority (PFA) for fiscal year 2003-04, noting that the audits reflected the new financial reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34. To comply, agencies must now prepare statements that incorporate the value of its fixed assets in their financial reports. To prepare for these new requirements, the City contracted with a consultant to inventory and value buildings, water infrastructure, streets and equipment. Depreciation was also factored into the audits.

Public Financing Authority

Mr. Corona explained that the PFA handles the debt service and long term debt from issuance of the City's bonds. The revenues for the fiscal year were \$600,290 which exceeded expenditures by \$125,151. The debt service fund balance showed \$597,641. He explained that with the GASB 34 full accrual reporting requirements, the total net assets showed a negative balance of \$453,383. The negative balance was the result of showing all of the future leases receivable minus the long-term debt. The difference (deficit) reflects future interest that will be earned from the debt service reserve fund over the life of the bonds.

Fowler Redevelopment Agency

The total RDA net assets were \$921,346. Revenues were \$1,437,818 which exceeded expenditures by \$81,685. Long term debt decreased by \$43,000. The total tax increment received was \$663,424.00. Mr. Corona stated that some of the Merced Street and Golden State Boulevard improvements were funded through the RDA.

City of Fowler

The audit showed that the total General Fund revenues were \$2,604,758. Expenditures were under revenues by \$224,619. Combined with the beginning fund balance of \$629,865, the ending fund balance totaled \$854,484. Overall revenues were \$4,726,836 which were under expenditures by \$22,015. Long-term debt decreased by \$240,594. The new GASB reporting showed the City's total net assets to be \$25,172,815.

A brief discussion ensued. Questions were asked about the CDBG loan receivables, totaling \$932,275, listed in the audit. Mr. Corona stated that all of the loans, except one, were current.

ADJOURNMENT

Having no further business, Councilmember/Director Cardenas made a motion, seconded by Mayor/Vice-Chairman Shaw, to adjourn. The meeting adjourned to the City Council meeting at 8:05 p.m.