

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Mendocino County Auditor-Controller  
Oversight Board of the Successor Agency  
of the Mendocino Redevelopment Agency  
County of Mendocino  
Ukiah, California

We have performed the minimum required agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, Department of Finance, and Mendocino County Auditor-Controller, solely to assist you in providing an accounting of the balance of All Other Funds Combined of the Successor Agency, excluding the Low and Moderate Income Housing Fund, as of June 30, 2012. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code (HSC) section 34179.5(c)(1-6). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A. Attachment A also summarizes the results of the agreed upon procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Mendocino County Auditor-Controller, the Successor Agency, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Rick Bowers, CPA  
Ukiah, California  
December 5, 2012

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AGREED-UPON PROCEDURES TO THE  
MENDOCINO REDEVELOPMENT SUCCESSOR AGENCY**

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**Attachment A – Agreed-Upon Procedures Engagement**

**Pursuant to HSC 34179.5, All Other Funds Combined**

1. Obtain from the Successor Agency a listing of all assets from All Other Funds Combined that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify the amount of assets transferred to the Successor Agency as of that date.

**Results: \$879,609.97 cash balances and \$9,798 land from All Other Funds Combined was transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Traced transfer to Mendocino County transfer record, and agreed to the account balance established in the accounting records of the Successor Agency.**

2. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city and/or county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012; and from the Successor Agency to the city and/or county that formed the redevelopment agency for the period February 1, 2012 through June 30, 2012, for All Other Funds Combined. For each transfer, describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements.

**Results: No transfers for All Other Funds Combined were made from the former redevelopment agency to the city and/or county that formed the redevelopment agency for the period January 1, 2011 through January 31, 2012, for any of the Agency's enforceable obligations or other legal requirements.**

**No transfers for All Other Funds Combined were made from the Successor Agency to the city and/or county that formed the redevelopment agency for the period February 1, 2012 through June 30, 2012, for any of the Agency's enforceable obligations or other legal requirements other than for goods and services.**

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3. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or private parties for the period from January 1, 2011 through January 31, 2012; and from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012, for All Other Funds Combined. For each transfer, describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements.

**Results: No transfers for All Other Funds Combined were made from the former redevelopment agency to any other public agency or private parties for the period from January 1, 2011 through January 31, 2012, for any of the Agency's enforceable obligations or other legal requirements.**

**No transfers for All Other Funds Combined were made from the Successor Agency to any other public agency or private parties for the period February 1, 2012 through June 30, 2012, for any of the Agency's enforceable obligations or other legal requirements other than for goods and services.**

4. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets and long-term liabilities should be presented at the bottom of this summary schedule for information purposes.

Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.

Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.

Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

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**Results:**

	Redevelopment Agency 12 Months Ended <u>06/30/2010</u>	Redevelopment Agency 12 Months Ended <u>06/30/2011</u>	Redevelopment Agency 7 Months Ended <u>01/31/2012</u>	Successor Agency 5 Months Ended <u>06/30/2012</u>
<b><u>Assets</u></b>				
Cash	<u>\$ 574,486</u>	<u>\$ 159,020</u>	<u>\$ 879,610</u>	<u>\$ 149,748</u>
<b><u>Liabilities</u></b>				
A/P	155	287		
	<u>155</u>	<u>287</u>	<u>0</u>	<u>0</u>
Total Liabilities				
Equity	<u>574,331</u>	<u>158,733</u>	<u>879,610</u>	<u>149,748</u>
<b>Total Liabilities &amp; Equity</b>	<b><u>\$ 574,486</u></b>	<b><u>\$ 159,020</u></b>	<b><u>\$ 879,610</u></b>	<b><u>\$ 149,748</u></b>
Revenues	\$ 727,255	\$ 791,967	\$ 757,235	\$ 1,936
Expenditures	(728,537)	(1,207,565)	(36,358)	(a) (731,798)
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change In Equity</b>	<b>( 1,282)</b>	<b>(415,598)</b>	<b>720,877</b>	<b>(729,862)</b>
Beginning	<u>575,613</u>	<u>574,331</u>	<u>158,733</u>	<u>879,610</u>
Ending Equity	<u>\$ 574,331</u>	<u>\$ 158,733</u>	<u>\$ 879,610</u>	<u>\$ 149,748</u>
Capital Assets	<u>\$ 9,798</u>	<u>\$ 9,798</u>	<u>\$ 9,798</u>	<u>\$ 4,000</u>
Long-Term Debt	0	0	0	0

(a) Expenditures of \$731,798 includes \$121,064.85 returned to the contributing entities as their pass-through dollars require by AB 1290; and \$427,324.24 returned as amounts above the approved ROPS for the period.

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**Results (continued)**

**The totals of revenues, expenditures, and transfers, account fully for the changes in equity from the previous periods. Agreed amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report and the related audit. All other fiscal period amounts agreed to county account trial balances and account inquiries.**

5. (Not applicable to All Other Funds Combined.)
  
6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 for All Other Funds Combined that are restricted for:

Unspent bond proceeds.

Grant proceeds and program income that are restricted by third parties.

Other assets considered to be legally restricted.

**Results: No restricted assets were held by the Successor Agency at June 30, 2012.**

7. Obtain from the Successor Agency a listing of assets as of June 30, 2012 for All Other Funds Combined that are not liquid or otherwise available for distribution.

**Results: The only non-liquid asset held at June 30, 2012 was land recorded at \$4,000 per appraisal dated November 1, 2012. This land was previously recorded at estimated market value of \$9,798. Agreed this amount to previously audited financial statements.**

8. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations.

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**Results: No assets balances exist except cash and land, and no asset balances need to be retained to satisfy enforceable obligations as of June 30, 2012.**

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the ROPS for the period July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013.

**Results: The final ROPS for the period July 1, 2012 through December 31, 2012 reflects \$107,100 estimated amounts necessary to satisfy remaining obligations. This includes \$90,100(b) estimate as repayment of suspended deposit to the Agency Housing Fund as allowed by ABx1 26 (SERAF), and \$17,000 in administration costs.**

**The final ROPS for the period January 1, 2013 through June 30, 2013 show no additional obligations.**

**(b) Original ROP estimated \$90,100 balance due on SERAF loan, actual amount of \$84,913 was paid in July 2012.**

10. Present a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities for All Other Funds Combined. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance.

**Results: See summary schedule below.**

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**SUMMARY OF ALL OTHER FUNDS COMBINED BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES:**

<b>Total amount of assets held by the successor agency</b>	<b>\$ 149,748</b>
<b>As of June 30, 2012</b>	
<b>Add assets transferred</b>	<b>0</b>
<b>Less assets legally restricted</b>	<b>0</b>
<b>Less assets that are not cash</b>	<b>0</b>
<b>Less balances that are legally restricted for the funding of an enforceable obligation</b>	<b>0</b>
<b>Less balances needed to satisfy ROPS for the 2012 - 13 fiscal year</b>	<b><u>0</u></b>
<b>Payments made to County Auditor-Controller July 12, 2012</b>	<b>(c)</b>
<b>Amount to be remitted to county for disbursement to Taxing entities</b>	<b><u>\$ 149,748</u></b>

**(c) See above page 4 footnote (a).**

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in attachments to the report. Included in the representations should be an acknowledgement that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits.

**Results: Obtained signed Representation Letter dated December 5, 2012.**



# COUNTY OF MENDOCINO

## Executive Office

CARMEL J. ANGELO  
Chief Executive Officer  
Clerk of the Board

501 Low Gap Road, Room 1010  
Ukiah, CA 95482-3734

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### REPRESENTATION LETTER

December 5, 2012

To: Rick Bowers, CPA

We are providing this letter in connection with your engagement to apply agreed-upon procedures regarding All Other Funds Combined as of June 30, 2012.

We confirm, to the best of our knowledge and belief, as of November 21, 2012, the following representations made to you during your engagement:

1. We are responsible for complying with statutory requirements in providing an accounting of the balance for All Other Funds Combined.
2. We are responsible for the presentation of the accounting records pertaining to Health and Safety code section 34179.5.
3. As of November 21, 2012, we agree with the results as set forth in Attachment A.
4. Management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012.
5. We have disclosed to you all known matters contradicting the agency's compliance with its statutory requirements with respect to All Other Funds Combined and HSC code section 34179.5.
6. We have disclosed to you all communications from regulatory agencies and other independent practitioners or consultants relating to the agency's compliance with statutory requirements regarding All Other Funds Combined.
7. We have made available to you all information that we believe is relevant to the agency's compliance with its statutory requirements.
8. We have responded fully to all inquiries made to us by you during your engagement.
9. No events have occurred subsequent to November 21, 2012 that would require adjustment to or modification of the results set forth in Attachment A addressing the agency's compliance with its statutory requirements.
10. Your report is intended solely for the information and use of the Mendocino County Auditor-Controller, the Successor Agency, and applicable state agencies, and is not intended to be, and should not be used by anyone other than those specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Carmel J. Angelo".

Carmel J. Angelo, Chief Executive Officer  
Mendocino County