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INDEPENDENT AUDITOR'S REPORT

To the City Council
Oversight Board of the Successor
Agency to the Marina Redevelopment Agency
Marina, California

We have audited the accompanying financial statements of the Successor Agency to the Marina Redevelopment Agency of the City of Marina as of and for the year ended June 30, 2014.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

The financial statements do not include footnote disclosures to the financial statements. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

In our opinion, except for the omission of the information discussed in the preceding paragraph and the "Other Matters" paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Successor Agency to the Marina Redevelopment Agency of the City of Marina as of June 30, 2014, and the results of its operations for the year ended June 30, 2014 with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

A handwritten signature in blue ink that reads "Mark Orruta" followed by a stylized flourish and the letters "CA".

Sacramento, California
October 20, 2014

**SUCCESSOR AGENCY
to the MARINA REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION**

June 30, 2014

ASSETS

Cash and Cash Equivalents	\$	977,379
Prepaid Expenses		12,113
Accrued Receivables		309
Long-Term Receivable- State of California		510,000
Capital Assets - Land		900,000
Total Assets	\$	<u>2,399,801</u>

LIABILITIES

Accounts Payable	\$	3,563
Accrued Payables		192
Due to City of Marina Funds		328,713
Bonds Payable:		
Due within One Year		20,000
Due in More Than One Year		490,000
Total Liabilities	\$	<u>842,468</u>

DEFERRED INFLOWS

Unavailable Revenue - Property Taxes Received in Advance	\$	<u>529,210</u>
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Net Position (Held in Trust for Successor Agency to the Marina Redevelopment Agency)	\$	<u>1,028,123</u>
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**SUCCESSOR AGENCY
to the MARINA REDEVELOPMENT AGENCY
STATEMENT OF CHANGES IN NET POSITION**

June 30, 2014

ADDITIONS

Property Taxes (including DOF True-Up Adjustment)	\$ 1,272,603
Investment Earnings	2,172
Property Tax In-Lieu	29,139
Net Assets Received on Dissolution of Redevelopment Agency	<u>39,501</u>
Total Additions	<u>\$ 1,343,415</u>

DEDUCTIONS

ROPS Payments:	
Programs Costs	\$ 1,645,963
Legal & Professional Fees	43,230
Employee Costs	109,113
Occupancy & Operating Costs	<u>117,005</u>
Total Deductions	<u>\$ 1,915,311</u>

Change in Net Position **\$ (571,896)**

NET POSITION - BEGINNING OF YEAR **1,600,019**

NET POSITION - END OF YEAR **\$ 1,028,123**

**SUCCESSOR AGENCY
to the MARINA REDEVELOPMENT AGENCY
Combining Schedule of Net Position
June 30, 2014**

	Successor Agency Operating Fund	Successor Agency Housing Fund	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ 928,387	\$ 48,992	\$ 977,379
Prepaid Expenditures	-	-	12,113	-	12,113
Accrued Receivables	-	-	286	23	309
Advances (to)from Other Funds, Net	-	-	(229,715)	229,715	-
Long-Term Receivable - State of California	-	-	510,000	-	510,000
Capital Assets - Land	-	-	-	900,000	900,000
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,221,071</u>	<u>\$ 1,178,730</u>	<u>\$ 2,399,801</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 3,563	\$ -	\$ 3,563
Accrued Payables	-	-	192	-	192
Due to City of Marina (Long Term)	-	-	328,713	-	328,713
Bonds Payable:				-	-
Due Within One Year	-	-	20,000	-	20,000
Due in More Than One Year	-	-	490,000	-	490,000
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 842,468</u>	<u>\$ -</u>	<u>\$ 842,468</u>
DEFERRED INFLOWS					
Unavailable Revenue - Property Taxes Received in Advance	\$ -	\$ -	\$ 529,210	\$ -	\$ 529,210
Net Position (Held in Trust for Successor Agency to the Marina Redevelopment Agency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (150,607)</u>	<u>\$ 1,178,730</u>	<u>\$ 1,028,123</u>

**SUCCESSOR AGENCY
to the MARINA REDEVELOPMENT AGENCY
Combining Schedule of Changes in Net Position
Year Ended June 30, 2014**

	53	54	58	59	
	Successor Agency Operating Fund	Successor Agency Housing Fund	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
ADDITIONS					
Property Taxes (Net of DOF True-Up Adjustment)	\$ -	\$ -	\$ 1,272,603	\$ -	\$ 1,272,603
Investment Earnings	254	1	1,819	98	2,172
Property Tax In-Lieu		-	29,139		29,139
Net Assets Received on Dissolution of Redevelopment Agency	39,501	-	-	-	39,501
Interfund Transfers	540,060	(287,039)	(540,060)	287,039	-
Total Additions	<u>\$ 579,815</u>	<u>\$ (287,038)</u>	<u>\$ 763,501</u>	<u>\$ 287,137</u>	<u>\$ 1,343,415</u>
DEDUCTIONS					
ROPS Payments:		\$ -			
Program Costs	\$ 583,719	\$ -	\$ 1,062,244	\$ 8,407	\$ 1,654,370
Legal & Professional Fees	-	-	41,649	-	41,649
Employee Costs	-	-	102,287	-	102,287
Occupancy & Operating Costs	-	-	117,005	-	117,005
Interfund Transfers	-	-	-	-	-
Total Deductions	<u>\$ 583,719</u>	<u>\$ -</u>	<u>\$ 1,323,185</u>	<u>\$ 8,407</u>	<u>\$ 1,915,311</u>
Change in Net Position	<u>\$ (3,904)</u>	<u>\$ (287,038)</u>	<u>\$ (559,684)</u>	<u>\$ 278,730</u>	<u>\$ (571,896)</u>
NET POSITION - BEGINNING OF YEAR	<u>3,904</u>	<u>287,038</u>	<u>354,077</u>	<u>955,000</u>	<u>1,600,019</u>
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (205,607)</u>	<u>\$ 1,233,730</u>	<u>\$ 1,028,123</u>