



JOHN CHIANG
California State Controller

November 24, 2014

Sean Scully, Assistant City Manager
City of Gustine
352 Fifth Street
Gustine, CA 95322

Re: Desk Review Results on Asset Transfers of Gustine Redevelopment Agency

Dear Mr. Scully:

This letter presents the State Controller's Office (SCO) desk review of asset transfers made by the Gustine Redevelopment Agency (RDA) to the City of Gustine (City) or any other public agency after January 1, 2011.

The objective of the review was to assess whether the RDA asset transfers were allowable in accordance with the statutory provisions of Health and Safety Code section 34167.5.

Our procedures were limited to analytical reviews and inquiries with management and applied to assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and any rights to payment of any kind. We also reviewed and determined whether any unallowable transfers to the City or any other public agency have been reversed.

Based on our limited procedures, we found that the RDA did not hold transferable assets and did not make unallowable asset transfers after January 1, 2011.

On October 21, 2014, we communicated the review results with you, and you agreed with the review results.

If you have any questions regarding this review, please contact Elizabeth González, Chief, Local Government Compliance Bureau, at (916) 324-0622.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/sk

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cc: Lisa Cardella-Presto, Auditor-Controller
County of Merced

David Botelho, Program Budget Manager
California Department of Finance

Richard J. Chivaro, Chief Legal Counsel
State Controller's Office

Elizabeth González, Bureau Chief
Division of Audits, State Controller's Office