



Transmitted via e-mail

April 23, 2013

Mr. Gerald Maginnity, Acting State Librarian
California State Library
P.O. Box 942837
Sacramento, CA 94237-0001

Dear Mr. Maginnity:

Final Report—County of Fresno Tranquillity Library Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the County of Fresno's (County) Tranquillity Library grant 3041 for the period July 26, 2005 through June 8, 2012.

The enclosed report is for your information and use. Because there were no audit observations or issues requiring a response, we are issuing the report as final. This report will be placed on our website.

We appreciate the assistance and cooperation of the County. If you have any questions regarding this report, please contact Susan Botkin, Manager, or Sherry Ma, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

David Botelho, CPA
Chief, Office of State Audits and Evaluations

Enclosure

cc: Ms. Deborah A. Newton, Bureau Chief, California State Library
Ms. Tona Paz, Fiscal Analyst, California State Library
Ms. Laurel Prysiazny, County Librarian, Fresno County Public Library
Mr. Steve Nitta, Business Manager, Fresno County Public Library
Mr. Stuart Seiden, Capital Projects Division Manager, Fresno County Public Library
Mr. Cesar Lopez, Staff Analyst III, Fresno County Public Library

AUDIT REPORT

County of Fresno Tranquillity Branch Library Proposition 14 Bond Program Grant Agreement 3041



County of Fresno Tranquillity Branch Library

Prepared By:
Office of State Audits and Evaluations
Department of Finance

MEMBERS OF THE TEAM

Susan Botkin, CGFM
Manager

Sherry Ma, CRP
Supervisor

Staff
Michael Bratman

Final reports are available on our website at <http://www.dof.ca.gov>

You can contact our office at:

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BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

BACKGROUND

In March 2000, California voters approved the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act, which authorized the State of California to sell \$350 million in general obligation bonds to support public library construction and renovation. The California State Library, Office of Library Construction (OLC), administered this program during the application review and approval phases, and awarded 45 projects totaling \$334 million statewide.

In 2005, OLC awarded the County of Fresno (County) a \$1.22 million grant, which represents 65 percent of the budgeted amount to fund the Tranquillity Branch Library project. The County is required to provide a match of 35 percent, or \$657,018, of the total project costs. The new 3,484 square foot Tranquillity Public Library is the beginning of redevelopment in the community and will enhance the quality of life for residents by serving as a vital resource and gathering place for all ages. The building will provide free access to information, public photocopying and faxing services, homework help, career information, computers, and family programs.¹

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audit and Evaluations, conducted an audit of grant agreement 3041 for the period July 26, 2005 through June 8, 2012.

The audit objectives were to determine whether the County's grant expenditures claimed were in compliance with applicable laws, regulations, and grant requirements; and to determine whether the grant deliverables were completed as required. We did not assess the efficiency or effectiveness of program operations.

County management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. The California State Library is responsible for the state-level administration of the bond program.

METHODOLOGY

To determine whether grant expenditures were in compliance with applicable laws, regulations, and the grant requirements; and if the grant deliverables were completed as required, we performed the following procedures:

- Interviewed key personnel to obtain an understanding of the grant-related internal controls.
- Examined the grant files, the grant agreement, and applicable policies and procedures.

¹ Background information was obtained from the grant application.

- Reviewed the County's accounting records and vendor invoices.
- Examined the expenditures to determine if costs were allowable, grant-related, incurred within the grant period, supported by accounting records, and properly recorded.
- Performed procedures to determine if other revenue sources were used to reimburse expenditures already reimbursed with grant funds.
- Conducted a site visit to verify existence of the new library, including furnishings and equipment.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

RESULTS

Based on the procedures performed, the County was in compliance with the requirements of the grant agreement. No observations or questioned costs were identified. Additionally, the County met the match requirements by providing matching funds equal to 35 percent of eligible project expenditures. The Schedule of Claimed Amounts is presented in Table 1.

The results of the audit are based on our review of documentation, other information made available to us, and interviews with staff directly responsible for administering grant funds.

Table 1: Schedule of Claimed Amounts

Grant Agreement 3041 For the Period July 26, 2005 through June 8, 2012	
Category	Claimed²
New Construction	\$ 982,508
Appraised Value of Land	30,000
Site Development	441,843
Site Permits & Fees	43,183
Furnishings & Equipment Costs	97,300
Signage	5,000
Architectural & Engineering Fees	111,631
Construction Cost Estimator Fees	10,010
Interior Design Fees	10,709
Geotechnical/Geohazard Reports	5,000
Library Consultant Fees	21,500
Construction/ Project Management	52,142
Other Professional Fees	22,387
Local Project Administration Costs	43,975
Total Project Expenditures	\$ 1,877,188³

² The OLC awarded \$1,220,171 and the County claimed that amount.

³ Amount includes \$122,017 representing the 10 percent retention withheld due from the OLC and \$657,018 in matching funds.