



Transmitted via e-mail

August 28, 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 Kern Frazier Park Library Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the County of Kern's (County) Frazier Park Public Library grant 2023 for the period May 18, 2004 through June 13, 2013.

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 Angie Williams, 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. Toña Paz, Fiscal Analyst, California State Library
Mr. Chad Wright, Administrative Coordinator, County of Kern
Mr. Bret Haney, Division Director, County of Kern
Ms. Katrina Balbuena, Compliance and Accountability Officer, County of Kern
Ms. Lisa Marcos, Administrative Services Officer, County of Kern
Mr. Kaler Ayala, Administrative Analyst, County of Kern

AUDIT REPORT

County of Kern Frazier Park Library Proposition 14 Bond Program Grant Agreement 2023



County of Kern Frazier Park Library

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

MEMBERS OF THE TEAM

Susan Botkin, CGFM
Manager

Angie Williams
Supervisor

Staff
Alan Garrett

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

You can contact our office at:

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Office of State Audits and Evaluations
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BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

BACKGROUND

In March 2000, California voters approved Proposition 14, 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.

In 2004, OLC awarded the County of Kern (County) a \$3.3 million grant, which represents 65 percent of the budgeted amount to fund the Frazier Park Library project. The County is required to provide a match of 35 percent, or \$1.8 million, of the total project costs. The new 9,972 square foot Frazier Park Library serves a projected population of nearly 14,000 in the County.

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, conducted an audit of grant agreement 2023 for the period May 18, 2004 through June 13, 2013.

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.

The County's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. OLC 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 grant requirements; and if 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 grant files, the grant agreement, and applicable policies and procedures.
- 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 observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

RESULTS

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.

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.

Table 1: Schedule of Claimed Amounts

Grant Agreement 2023 For the Period May 18, 2004 through June 13, 2013	
Category	Claimed¹
New Construction	\$ 3,951,166
Appraised Value of Land	129,000
Site Development	94,500
Site Permits and Fees	8,385
Furnishings and Equipment Costs	337,295
Signage	67,000
Architectural and Engineering Fees	530,000
Geotechnical/Geohazard Reports	9,500
Construction/Project Management	75,000
Other Professional Fees	2,708
Total Project Expenditures	\$ 5,204,554²

¹ OLC awarded \$3,382,960 and the County claimed \$3,382,960.

² Amount includes \$338,296 representing the ten percent retention withheld and \$1,821,594 in matching funds.