



March 25, 2009

Ms. Stacey Aldrich, Acting State Librarian
California State Library
900 N Street, Suite 300
Sacramento, CA 95814

Dear Ms. Aldrich:

Final Report—City of Camarillo Library Construction Grant Audit

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its final audit of the City of the Camarillo's (City) Library Construction grant agreement 1003 for the period June 9, 2000 through June 30, 2007. We previously issued an interim report for the period June 9, 2000 through September 30, 2005. The final report consolidated the results from the interim audit and the final audit.

The enclosed report is for your information and use. Because there were no audit findings or issues requiring a response, we are issuing the report as final. In accordance with Finance's policy of increased transparency, the final report will be placed on the Finance website.

We appreciate the assistance and cooperation of the City. If you have any questions regarding this report, please contact Kimberly Tarvin, Manager, or Zachary Stacy, Supervisor, at (916) 322-2985.

Sincerely,

Original Signed By:

David Botelho, Chief
Office of State Audits and Evaluations

Enclosure

cc: Mr. Curtis Purnell, Bond Act Fiscal Officer, Office of Library Construction, California State Library
Mr. Jerry Bankston, City Manager, City of Camarillo
Mr. Ronnie Campbell, Director of Finance, City of Camarillo
Mr. Bruce Feng, Assistant City Manager, City of Camarillo

A GRANT AUDIT

City of Camarillo
Camarillo Library
Proposition 14 Bond Program
Grant Agreement 1003
For the Period June 9, 2000
to June 30, 2007



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

096120044DDR

March 2009

MEMBERS OF THE TEAM

Kimberly Tarvin, CPA
Manager

Zachary Stacy
Supervisor

Staff
Patty Roth

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

You can contact our office at:

Department of Finance
Office of State Audits and Evaluations
300 Capitol Mall, Suite 801
Sacramento, CA 95814
(916) 322-2985

TABLE OF CONTENTS

Independent Auditor's Report	1
Statement of Revenue and Expenditures	3
Notes to the Statement of Revenue and Expenditures.....	4



INDEPENDENT AUDITOR'S REPORT

Ms. Stacey Aldrich, Acting State Librarian
California State Library
900 N Street, Suite 300
Sacramento, CA 95814

We have audited the accompanying City of Camarillo's (City) *Statement of Revenue and Expenditures* (Statement) for grant agreement 1003 for the period June 9, 2000 to June 30, 2007, as executed between the City and the California State Library. We previously issued an interim report for the period June 9, 2000 through September 30, 2005. This final report consolidates the results from the interim audit. This Statement was prepared from the City's records and is the responsibility of its management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to provide reasonable assurance as to whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared, as described in Note 4, for the purpose of determining the City's fiscal compliance with the aforementioned agreement. The Statement is not intended to be a presentation of the City's total revenue and expenditures.

In our opinion, the *Statement of Revenue and Expenditures* presents fairly, in all material respects, the claimed and audited revenue and expenditures for the agreement number and period specified in paragraph one, in conformity with accounting principles generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Statement is free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Statement, but not for the purpose of expressing our opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's Statement that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the California State Library and City management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Original Signed By:

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

March 21, 2009

STATEMENT OF REVENUE AND EXPENDITURES

**City of Camarillo
Camarillo Library
Grant Agreement 1003
For the Period June 9, 2000 to June 30, 2007**

	(State Share)		
	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>
Revenue:			
Proposition 14 Funds ⁽¹⁾	\$ 15,621,467	\$ 15,621,467	\$ 0
Expenditures:			
New Construction	10,363,242	10,363,242	0
Appraised Value of Land	370,500	370,500	0
Site Development	1,918,056	1,918,056	0
Site Permits and Fees	11,700	11,700	0
Furnishings and Equipment Costs	1,323,007	1,323,007	0
Signage	52,000	52,000	0
Architectural and Engineering Fees	1,173,097	1,173,097	0
Construction Cost Estimator Fees	11,700	11,700	0
Interior Designer Fees	96,849	96,849	0
Geotechnical/Geohazard Reports	14,743	14,743	0
Hazardous Materials Consultant Fees	11,570	11,570	0
Library Consultant Fees	47,072	47,072	0
Construction/Project Management	171,020	171,020	0
Other Professional Fees	<u>56,911</u>	<u>56,911</u>	<u>0</u>
Total Expenditures	15,621,467	15,621,467	0
 Excess of Revenue over Expenditures	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

⁽¹⁾ Amount includes final payment of \$1,562,147 due from the California State Library.

The accompanying notes are an integral part of this statement.

NOTES TO THE STATEMENT OF REVENUE AND EXPENDITURES

**City of Camarillo
Camarillo Library
Grant Agreement 1003
For the Period June 9, 2000 to June 30, 2007**

NOTE 1 Description of the Reporting Entity

The City of Camarillo (City) is located in Ventura County. The City was incorporated as a general law city in 1964 and operates under the council-manager form of government with an elected five-member council. The City provides finance, general services, public works, community development services, and contracts with the county for police, fire, and library services. The City Manager is the coordinator for this library construction project.

NOTE 2 Program Information

In March 2000, California voters approved the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act (Proposition 14), 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 2006 the OLC was reorganized as the Bond Administration Office (BAO), which now administers the program. The BAO authorizes the disbursement of bond proceeds to local agencies via grants and these agencies expend the funds on approved projects. Program requirements are codified in Title 5 and Title 24 of the California Code of Regulations.

NOTE 3 Description of Grant Award 1003

The OLC awarded the City a Proposition 14 grant in the amount of \$15,621,473. The amount was 65 percent of the budgeted \$24,033,036 to fund the construction of the Camarillo Library. The project provided that the existing 16,500 square foot library, built in 1974 be replaced by a new 65,500 square foot facility. The grant period was June 9, 2000 to June 30, 2008. However, all of the grant funds were fully expended as of June 30, 2007.

The project was completed and the Library opened to the public in March 2007.

NOTE 4 Summary of Significant Accounting Policies

A. Basis of Presentation

We prepared the *Statement of Revenue and Expenditures* (Statement) from the City's accounts and financial transactions. The Statement summarizes the state-funded portion of the City's recorded project revenue and expenditures for the audit period June 9, 2000 to June 30, 2007. The Statement summarizes the City's transactions pertaining to grant agreement 1003 only, and is not intended to represent all of its financial activities.

B. Basis of Accounting

The City's accounts are maintained on a modified accrual basis. Under the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recorded at the time the liabilities are incurred.

NOTE 5 Matching Fund Requirements

Grant agreement 1003 requires the City to provide matching funds equal to 35 percent of eligible project expenditures. The City met the required match of approximately \$8.4 million.