

**City of Oxnard
Single Audit Report
For the Fiscal Year Ended
June 30, 2007**

CITY OF OXNARD
Single Audit Report
For the Fiscal Year Ended June 30, 2007

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Mayer Hoffman McCann P.C.
An Independent CPA Firm

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable City Council
City of Oxnard, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxnard as of and for the year ended June 30, 2007, and have issued our report thereon dated November 16, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Oxnard's (City's) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an 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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity'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 financial statements will not be prevented or detected by the entity's internal control.

SOUTHERN CALIFORNIA LOCATIONS

11601 WILSHIRE BOULEVARD, SUITE 2300 • LOS ANGELES, CA 90025 • PH 310.268.2000 • FAX 310.268.2001
5060 CALIFORNIA AVENUE, SUITE 800 • BAKERSFIELD, CA 93309 • PH 661.325.7500 • FAX 661.325.7004
300 ESPLANADE DRIVE, SUITE 250 • OXNARD, CA 93036 • PH 805.988.3222 • FAX 805.988.3220
2 VENTURE, SUITE 455 • IRVINE, CA 92618 • PH 949.450.4400 • FAX 949.450.0694

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Oxnard's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council and management of the City of Oxnard, and the City's federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Mary Hoffman McCann P.C." followed by a vertical line.

Bakersfield, California
November 16, 2007



Mayer Hoffman McCann P.C.

An Independent CPA Firm

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Council
City of Oxnard, California

Compliance

We have audited the compliance of the City of Oxnard with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The City of Oxnard's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Oxnard's management. Our responsibility is to express an opinion on the City of Oxnard's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Oxnard's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Oxnard's compliance with those requirements.

In our opinion, the City of Oxnard complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

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Internal Control Over Compliance

The management of the City of Oxnard is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Oxnard's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Oxnard's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council and management of the City of Oxnard, and the City's federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Bakersfield, California
November 16, 2007

CITY OF OXNARD
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Contract Number	Expenditures
Federal Grants			
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218	B-06-MC-060534	1,767,745
Community Development Block Grant	14.218	B-05-MC-060534	448,993
Community Development Block Grant	14.218	B-04-MC-060534	222,046
Community Development Block Grant	14.218	B-03-MC-060534	33,546
Community Development Block Grant	14.218	B-01-MC-060534	1,121
Total CDBG			2,473,451
Emergency Shelter Grant	14.231	S-06-MC-06534	117,076
Emergency Shelter Grant	14.231	S-05-MC-06534	3,023
Total Emergency Shelter Grant			120,099
HOME	14.239	M-06-MC-06526	879,993
HOME	14.239	M-05-MC-06526	753,675
HOME	14.239	M-04-MC-06526	27,353
HOME	14.239	M-03-MC-06526	4,771
Total HOME Program			1,665,792
Continuum of Care	14.235	CA16-B511-004	54,653
Continuum of Care	14.235	CA16-B511-007	69,568
Continuum of Care	14.235	CA16-B311-005	4,338
Continuum of Care	14.235	CA16-B311-003	45,030
Total Continuum of Care			173,589
Total Department of Housing and Urban Development			4,432,931
US Department of Interior			
Metropolitan Water District of Southern California City Makeover	15.504	68880	10,000
CA Department of Parks and Recreation Land and Water Conservation Fund	15.916	C8940019	44,560
Total US Department of Interior			54,560
US Department of Justice			
Office of Criminal Justice Planning:			
Passed through State of California Bureau of Justice Assistance:			
Justice Assistance Grant	16.738	2006DJBX0419	45,352
Total Police BJA			45,352
Secure our Schools	16.710	2003CKWX0368*	100,000
COPS Universal	16.710	2004ULWX0016*	160,500
COPS in Schools	16.710	2003SHWX0127*	79,785
Total COPS			340,285

CITY OF OXNARD
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Contract Number	Expenditures
Drug Free Communities Grant	16.729	2001JNFX0098	45,960
Total Office of Criminal Justice Planning			45,960
Total Department of Justice			431,597
US Department of Transportation			
Passed through the State of California/CalTrans:			
Patterson Rd. Resurfacing	20.205	STPL-5129(040)*	2,987
Pedestrian and Bike paths	20.205	CML-5129(029)*	14,517
Del Norte/Rice @US101 Slope Landscaping	20.205	STPLER-5129(042)*	31,440
Pleasant Valley Rd Widening	20.205	RPSTPL-5129(034)*	329,920
Pleasant Valley Rd Widening	20.205	RPSTPL-5129(034)*	13,767
Pleasant Valley Rd Median Landscaping	20.205	RPSTPLE-5129(044)*	58,986
East 4th St. Parking Lot	20.205	STPL-5129(045)*	108,099
Total Department of Transportation			559,716
National Endowment of the Humanities			
Forever Free: Abraham Lincoln's Journey to Emancipation	45.164	LI-50058-06	820
Total National Endowment of the Humanities			820
Office of Library Services			
Early Learning with Families Targeted Grant Program	45.310	40-6734	5,000
Total Office of Library Services			5,000
US Department of Homeland Security			
Federal Emergency Management Agency			
January 2005 Winter Storms	97.036	None*	891,031
Total Federal Emergency Management Agency			891,031
Homeland Security Grant Program			
Project Safe Comm Part II	97.067	2004-45*	138,391
Project Safe Comm Part III	97.067	2005-15*	184,147
Project Safe Comm Part IV	97.067	2006-0071*	102,339
Total Homeland Security Grant Program			424,877
Total US Department of Homeland Security			1,315,908
Corporation for National and Community Service:			
RSVP- Phase XXVII	94.002	04SRPCA010	(83)
RSVP-Phase XXVIII	94.002	04SRPCA010	5,459
RSVP-Phase XXIX	94.002	04SRPCA010	120,852
Total Corporation for National and Community Service			126,228
Total Expenditures of Federal Awards			6,926,760

* Denotes Major Program

CITY OF OXNARD
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2007

I. Summary of significant accounting policies

A. Basis of Accounting

Monies received under the grant programs have been recorded within the special revenue funds of the City of Oxnard. The City utilizes the modified accrual basis of accounting for governmental funds which is described in note 1 of the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards has been prepared accordingly.

B. Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards is prepared from the accounts of the grant programs and, therefore, does not present the financial position or results of operations of the City of Oxnard. The City's reporting entity is defined in note 1 of the notes to the City's basic financial statements. All financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies to the City is included in the accompanying schedule.

C. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree, in all material respects, with the amounts reported in related federal financial reports.

CITY OF OXNARD
Schedule of Audit Findings and Questioned Costs
For the Year Ended June 30, 2007

Section I – Summary of Auditors’ Results

a) Financial Statements

Type of auditors’ report issued:	<i>Unqualified</i>
Internal control over financial reporting:	
Material weaknesses identified?	No
Reporting conditions identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

b) Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Reporting conditions identified not considered to be material weaknesses?	No
Type of auditors’ report issued on compliance for major programs:	<i>Unqualified</i>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section. 510(a)	No

c) Identification of major programs

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
CFDA Number 16.710	COPS
CFDA Number 20.205	Highway Planning and Construction
CFDA Number 97.036	FEMA
CFDA Number 97.067	Homeland Security

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

CITY OF OXNARD
Schedule of Audit Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2007

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Section IV – A Summary of Prior Year Audit Findings (June 30, 2006) and Current Year Status Follows:

No matters were reported.

Auditee Contact: Norma Owens, Grants Manager (805) 385-7477