

**City of Oxnard  
Single Audit Report  
For the Fiscal Year Ended  
June 30, 2010**

**CITY OF OXNARD**  
**Single Audit Report**  
**For the Fiscal Year Ended June 30, 2010**

**TABLE OF CONTENTS**

	<u>Page</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.....	1-2
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.....	3-4
Schedule of Expenditures of Federal Awards.....	5-7
Notes to the Schedule of Expenditures of Federal Awards.....	8
Schedule of Audit Findings and Questioned Costs.....	9-10



**Mayer Hoffman McCann P.C.**  
An Independent CPA Firm

5060 California Avenue, Suite 800  
Bakersfield, CA 93309  
PH 661.325.7500  
FAX 661.325.7004

**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, 2010, which collectively comprise the City of Oxnard's basic financial statements and have issued our report thereon dated November 24, 2010. 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 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 of Oxnard's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Oxnard's internal control over financial reporting.

*A deficiency in internal control* 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. (2010-1). A significant deficiency is a deficiency, or a combination of

**Southern California Locations**

10474 Santa Monica Blvd. Suite 200 • Los Angeles, CA 90025 • PH 310.268.2000 • FX 310.268.2001  
5060 California Ave. Suite 800 • Bakersfield, CA 93309 • PH 661.325.7500 • FX 661.325.7004  
300 Esplanade Dr. Suite 250 • Oxnard, CA 93036 • PH 805.988.3222 • FX 805.988.3220

deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### 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*.

We noted other matters that were reported to management of the City of Oxnard in a separate letter dated January 19, 2011.

This report is intended solely for the information and use of management and the City Council 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.

*Mayer Hoffman McCann P.C.*

Bakersfield, California  
January 19, 2011



**Mayer Hoffman McCann P.C.**  
An Independent CPA Firm

5060 California Avenue, Suite 800  
Bakersfield, CA 93309  
PH 661.325.7500  
FAX 661.325.7004

## **REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable City 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. *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The City of Oxnard's major federal programs are identified in the summary of auditors' 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. 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 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 City of Oxnard's compliance with those requirements.

In our opinion, City of Oxnard complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

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, our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not

#### **Southern California Locations**

10474 Santa Monica Blvd. Suite 200 • Los Angeles, CA 90025 • PH 310.268.2000 • FX 310.268.2001  
5060 California Ave. Suite 800 • Bakersfield, CA 93309 • PH 661.325.7500 • FX 661.325.7004  
300 Esplanade Dr. Suite 250 • Oxnard, CA 93036 • PH 805.988.3222 • FX 805.988.3220

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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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.

#### Schedule of Expenditure of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining information of the City of Oxnard as of and for the year ended June 30, 2010, and have issued our report thereon dated November 24, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Oxnard's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management and the City Council 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.

*Mayer Hoffman McCann P.C.*

Bakersfield, California  
January 19, 2011

**CITY OF OXNARD**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Contract Number	Expenditures
<b>Federal Grants</b>			
<b>U.S. Department of Housing and Urban Development</b>			
Community Development Block Grant*	14.218	B-09-MC-060534	\$ 1,744,030
Community Development Block Grant*	14.218	B-08-MC-060534	442,976
Community Development Block Grant*	14.218	B-07-MC-060534	5,283
Community Development Block Grant* - ARRA	14.253	B-09-MY-060534	613,066
<b>Total CDBG</b>			<b>2,805,355</b>
Neighborhood Stabilization Program*	14.228	09-NSP1-6115	1,725,476
<b>Total Neighborhood Stabilization Program</b>			<b>1,725,476</b>
Homeless Prevention and Rapid Rehousing Program* - ARRA	14.257	S-09-MY-060534	176,130
<b>Total HPRP</b>			<b>176,130</b>
Emergency Shelter Grant	14.231	S-09-MC-060534	114,285
Emergency Shelter Grant	14.231	S-08-MC-060534	591
<b>Total Emergency Shelter Grant</b>			<b>114,876</b>
HOME	14.239	M-09-MC-06526	173,173
HOME	14.239	M-08-MC-06526	841,109
HOME	14.239	M-07-MC-06526	159,031
HOME	14.239	M-06-MC-06526	8,570
<b>Total HOME Program</b>			<b>1,181,883</b>
Continuum of Care	14.235	CA0716B9D110802	28,437
Continuum of Care	14.235	CA0716B9D110801	64,917
Continuum of Care	14.235	CA0717B9D110801	51,151
Continuum of Care	14.235	CA16-B311-006	21,759
<b>Total Continuum of Care</b>			<b>166,264</b>
<b>Total Department of Housing and Urban Development</b>			<b>6,169,984</b>
<b>Bureau of Reclamation</b>			
Ventura Road Utility Improvement* - ARRA	15.504	RIOAC35R12	28,960
Great - AWP Project* - ARRA	15.504	RIOAC35R12	2,074,361
Water Backbone Phase 1* - ARRA	15.504	RIOAC35R12	285,773
<b>Total Bureau of Reclamation</b>			<b>2,389,094</b>

**CITY OF OXNARD**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Contract Number	Expenditures
<b>US Department of Justice</b>			
Justice Assistance Grant - Local Solicitation - FY09	16.738	2009-DJ-BX-0126	50,064
JAG Grant with Ventura	16.738	2008-DJ-BX-0185	8,145
JAG Formula Program* - ARRA	16.804	2009-SB-B9-0450	393,969
<b>Total JAG</b>			<b>452,178</b>
COPS Technology Program - FY09	16.710	2008CKWX0483	76,268
COPS Universal	16.710	2004ULWX0016	118,905
<b>Total COPS</b>			<b>195,173</b>
<b>Total Department of Justice</b>			<b>647,351</b>
<b>US Department of Labor</b>			
Summer Jobs for Youth - ARRA	17.259		44,281
Summer Jobs for Youth - ARRA	17.259		233,469
<b>Total Department of Labor</b>			<b>277,750</b>
<b>US Department of Transportation</b>			
<b>Passed through the State of California/CalTrans:</b>			
Rice /Santa Clara @US101*	20.205	STPLN-5129(012)	341,375
Rice /Santa Clara @US101*	20.205	HPLUL-5129(051)	47,057
Rice /Santa Clara @US101* - ARRA	20.205	ESPL-5129(058) - ARRA	1,936,696
Rice /Santa Clara @US101*	20.205	HPLUL-5129(056)	115,027
Rice /Santa Clara @US101*	20.205	TILUL-5129(057)	12,200
Pedestrian and Bike paths*	20.205	CML-5129(029)	14,902
Install Intercnnect Cables*	20.205	CML-5129(047)	(12,799)
Construct Parking Lot - E. Fifth St.*	20.205	CML-5129(041)	(292,939)
Construct Parking Lot - E. 4th St.*	20.205	STPL-5129(045)	(261,368)
Traffic Signal Modifications* - ARRA	20.205	ESPL-5129(054)	658,192
Street Improvement - Bartolo Sq North* - ARRA	20.205	ESPL-5129(055)	814,829
Street resurface - Bartolo Sq South* - ARRA	20.205	ESPL-5129(053)	811,389
<b>Total Department of Transportation</b>			<b>4,184,561</b>
<b>National Endowment for the Humanities</b>			
Benjamin Franklin: In Search of a Better World	45.164	LS-50015-07	1,000
<b>Total National Endowment for the Humanities</b>			<b>1,000</b>

**CITY OF OXNARD**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Contract Number	Expenditures
<b>California Department of Aging</b>			
Bone Builders Grant FY08-09	93.043	3B-0643-070812-R2	34
Bone Builders Grant - CAM	93.043		68
Senior Nutrition Program FY08-09	93.045	3C-005-070912-R1	170,325
Congregate Meals (PUMP) - ARRA	93.707	3C-005-070912-R1	2,000
<b>Total California Department of Aging</b>			<b><u>172,427</u></b>
<b>Corporation for National and Community Service</b>			
RSVP - Phase XXX	94.002	07SRPCA011	53,127
RSVP - Phase XXIX	94.002	04SRPCA010	(250)
<b>Total Corporation for National and Community Service</b>			<b><u>52,877</u></b>
<b>US Department of Homeland Security</b>			
Extrication Equip Project - Fire Dept.	20.600	EM1003	180,554
Urban Area Security Grant - FY09	97.008	2009-0019	59,119
Urban Area Security Grant - FY09	97.008	2009-0019	72,512
EMPG Fire Grant 09-10	97.042	2009-0015	26,610
Project Safe Comm Part V-09	97.067		228,924
Project Safe Comm Part V-08	97.067	2007-0008	421
Homeland Security Grant - FY09	97.073	2009-0019	18,750
<b>Total US Department of Homeland Security</b>			<b><u>586,890</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 14,481,934</u></b>

\* Denotes Major Program

**CITY OF OXNARD**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**June 30, 2010**

**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, 2010**

**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
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

*b) Federal Awards*

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies 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 14.218/14.253	Community Development Block Grant
CFDA Number 14.228	Neighborhood Stabilization Program
CFDA Number 14.257	HPRP
CFDA Number 15.504	Water Reclamation and Reuse Program
CFDA Number 16.804	JAG Formula Program
CFDA Number 20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	\$434,458
Auditee qualified as low-risk auditee?	Yes

**CITY OF OXNARD**  
**Schedule of Audit Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2010**

**Section II – Financial Statement Findings**

**2010-1 – Increase Resources for GAAP Compliance**

*Condition*

Recent heightened public scrutiny of transactions, recorded by the City, allows no room for error in complying with Generally Accepted Accounting Principles (GAAP). Previously the City maintained a Controller position and a Management Accountant/Auditor position and also entered into consultation, with outside accountants, to a greater extent than the City's practice during this audit period. In order to meet budget savings requirements, both the Controller and Management Accountant/Auditor positions have not been recruited. These measures have strained the current resources of the City and increased the chances of errors occurring, and contributed to the requirement for a prior period adjustment to the City's June 30, 2010 financial statements.

*Recommendation*

In order to reduce the strain on the City's current resources for GAAP compliance and reduce the chances of errors occurring, we recommend that the City reinstate funding and recruit either the Controller or Management Accountant/Auditor and increase its consultation with outside accountants on the recording of significant transactions.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

**Section IV – A Summary of Prior Year Audit Findings (June 30, 2009) and Current Year Status Follows:**

No matters were reported.

**Auditee Contact:** Marichu Maramba (805) 385-7468