

**City of Oxnard
Single Audit Report
For the Fiscal Year Ended
June 30, 2008**

CITY OF OXNARD
Single Audit Report
For the Fiscal Year Ended June 30, 2008

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 Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	3-4
Schedule of Expenditures of Federal Awards.....	5-6
Notes to the Schedule of Expenditures of Federal Awards.....	7
Schedule of Audit Findings and Questioned Costs.....	8-9



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**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, 2008, which collectively comprise the City of Oxnard's basic financial statements and have issued our report thereon dated December 8, 2008. 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 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 of Oxnard'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 of Oxnard's financial statements that is more than inconsequential will not be prevented or detected by the City of Oxnard'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 City of Oxnard's internal control.

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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*.

We noted other matters that were reported to management of the City of Oxnard in a separate letter dated December 8, 2008.

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
December 8, 2008



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**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, 2008. 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, 2008.

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

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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.

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, 2008, and have issued our report thereon date December 8, 2008. 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.



Bakersfield, California
December 8, 2008

CITY OF OXNARD
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

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-07-MC-060534	1,909,185
Community Development Block Grant*	14.218	B-06-MC-060534	76,055
Community Development Block Grant*	14.218	B-05-MC-060534	348,307
Community Development Block Grant*	14.218	B-04-MC-060534	80,603
Community Development Block Grant*	14.218	B-03-MC-060534	74,938
Community Development Block Grant*	14.218	B-02-MC-060534	100,000
Community Development Block Grant*	14.218	B-01-MC-060534	100,000
Total CDBG			<u>2,689,087</u>
Emergency Shelter Grant	14.231	S-07-MC-060534	121,067
Emergency Shelter Grant	14.231	S-06-MC-060534	3,478
Total Emergency Shelter Grant			<u>124,545</u>
HOME	14.239	M-07-MC-06526	758,112
HOME	14.239	M-06-MC-06526	642,411
HOME	14.239	M-05-MC-06526	64,000
Total HOME Program			<u>1,464,524</u>
Continuum of Care	14.235	CA16-B711-008	12,422
Continuum of Care	14.235	CA16-B611-007	53,579
Continuum of Care	14.235	CA16-B611-008	69,568
Continuum of Care	14.235	CA16-B611-004	54,653
Continuum of Care	14.235	CA16-B311-006	5,870
Total Continuum of Care			<u>196,091</u>
Total Department of Housing and Urban Development			<u>4,474,247</u>
US Department of Interior			
CA Department of Parks and Recreation Land and Water Conservation Fund	15.916	C8940019	3,665
Total US Department of Interior			<u>3,665</u>
US Department of Justice			
Office of Criminal Justice Planning:			
Passed through State of California Bureau of Justice Assistance:			
Justice Assistance Grant	16.738	2006DJBX0419	43,628
Total Police BJA			<u>43,628</u>
COPS Universal	16.710	2004ULWX0016	165,940
COPS in Schools	16.710	2003SHWX0127	125,998
Total COPS			<u>291,939</u>
Total Department of Justice			<u>335,567</u>

CITY OF OXNARD
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Contract Number	Expenditures
US Department of Transportation			
Passed through the State of California/CalTrans:			
Rice /Santa Clara @US101	20.205	STPLN-5129(012)	31,026
Rice /Santa Clara @US101	20.205	HPLUL-5129(051)	970,001
Del Norte/Rice @US101 Slope Landscaping	20.205	STPLER-5129(042)	27,917
Install Interconnect Cables	20.205	CML-5129(047)	137,585
Total Department of Transportation			<u>1,166,528</u>
Office of Library Services			
Early Learning with Families Targeted Grant Program	45.310	40-6915	15,062
Total Office of Library Services			<u>15,062</u>
US Department of Homeland Security			
Ventura County Office of Emergency Services			
FY07 Emergency Management Performance Grant	97.042	EMF-2007-GR-0702	25,099
Ventura County Office of Emergency Services			<u>25,099</u>
Homeland Security Grant Program			
Project Safe Comm Part III	97.067	2006-0071	92,564
Project Safe Comm Part IV	97.067	2007-0008	12,785
Total Homeland Security Grant Program			<u>105,350</u>
Total US Department of Homeland Security			<u>130,449</u>
Corporation for National and Community Service:			
RSVP- Phase XXX	94.002	02SRPCA011	53,660
RSVP-Phase XXVIII	94.002	04SRPCA010	3,899
RSVP-Phase XXIX	94.002	04SRPCA010	(127)
Total Corporation for National and Community Service			<u>57,432</u>
Total Expenditures of Federal Awards			<u>6,182,950</u>

* Denotes Major Program

CITY OF OXNARD
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2008

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, 2008

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?	None reported
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	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	Yes
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CITY OF OXNARD
Schedule of Audit Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2008

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, 2007) and Current Year Status Follows:

No matters were reported.

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