



Transmitted via e-mail

May 29, 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 Alameda Castro Valley Library Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the County of Alameda's (County) Castro Valley Public Library grant 3033 for the period June 1, 2005 through May 9, 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. Aki Nakao, Director, County of Alameda, General Services Agency
Ms. Kimberly Gasaway, Chief Financial Manager, County of Alameda, General Services Agency
Ms. Neva Jacob, Supervising Financial Services Specialist, County of Alameda, General Services Agency
Ms. Veronica Ismael, Financial Services Specialist II, County of Alameda, General Services Agency
Mr. Michael Cadrecha, Architect, County of Alameda, General Services Agency
Mr. Charles Miller, Project Manager, County of Alameda, General Services Agency
Mr. Steve Manning, Chief Deputy Auditor, County of Alameda, Auditor-Controller Agency
Ms. Mary Modelski, Division Chief, County of Alameda, Auditor-Controller Agency

AUDIT REPORT

County of Alameda Castro Valley Library Proposition 14 Bond Program Grant Agreement 3033



County of Alameda Castro Valley 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
915 L Street, 6th Floor
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(916) 322-2985

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 2005, OLC awarded the County of Alameda (County) a \$13.9 million grant, which represents 65 percent of the budgeted amount to fund the Castro Valley Library project. The County is required to provide a match of 35 percent, or \$7.5 million, of the total project costs. The new 34,537 square foot Castro Valley Library provides a full array of library services. The site offers many amenities including superior access for pedestrians, bicycles, and wheelchairs. The site also provides excellent automobile access for residents of the library's service area.¹

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, conducted an audit of grant agreement 3033 for the period June 1, 2005 through May 9, 2013. Although the grant was extended to December 31, 2013, a final report is being issued because the project is complete.

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.

County 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 the grant requirements; and if the grant deliverables were completed as required, we performed the following procedures:

- Interviewed key personnel to obtain an understanding of the grant-related internal controls.

¹ Source: grant application.

- 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 findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings 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 3033 For the Period June 1, 2005 through May 9, 2013	
Category	Claimed²
New Construction	\$12,346,864
Appraised Value of Land	2,820,000
Site Permits and Fees	334,055
Furnishings and Equipment Costs	1,641,537
Architectural and Engineering Fees	1,704,564
Construction Cost Estimator Fees	5,971
Geotechnical/Geohazard Reports	21,460
Library Consultant Fees	963
Construction/Project Management	370,803
Other Professional Fees	35,158
Total Project Expenditures	\$19,281,375³

² OLC awarded \$13,961,227 and the County claimed \$12,532,896.

³ Amount includes \$1,253,290 representing the ten percent retention withheld due from OLC and \$6,748,479 in matching funds.