

**TO: LIBRARIES BOND CITIZEN
OVERSIGHT COMMITTEE**

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: November 26, 2007

**SUBJECT: STATUS REPORT ON THE 2006-2007 ANNUAL AUDIT OF THE BRANCH
LIBRARIES BOND PROJECTS FUND**

RECOMMENDATION

Staff recommends that the Commission accept this report regarding the 2006-2007 annual audit of the Branch Libraries Bond Projects Fund.

BACKGROUND

San José voters passed the Library Bond measure (Measure O) in November 2000. The Measure provided \$212 million for library facility improvement projects over the following ten years. The Measure also called for the establishment of a public oversight committee and an annual audit to monitor the use of bond proceeds for library improvements. The Library Commission has been appointed as the Citizen Oversight Committee for monitoring the annual audit and reporting to the City Council and public on the results of the annual audit through a report to be submitted to the Council on or before December 31st of each year. This is the seventh in the series for this annual report.

ANALYSIS

The independent accounting firm of Macias, Gini & O'Connell, LLP (MGO) completed their annual audit of City funds in November for the fiscal year ended June 30, 2007. The audited financial statements, known as the Comprehensive Annual Financial Report (CAFR) included a review of the Branch Libraries Bond Projects Fund. During the course of an outside auditor's work any significant issues are identified and commented upon. The CAFR was presented by the Finance Department and MGO to the City's Public Safety, Finance & Strategic Support Committee on November 15, 2007 and will be reported out to the City Council on December 4, 2007. No significant issues were identified and reported on for the Branch Libraries Bond Projects Fund. Relevant extracts from the 2006-2007 CAFR are attached.

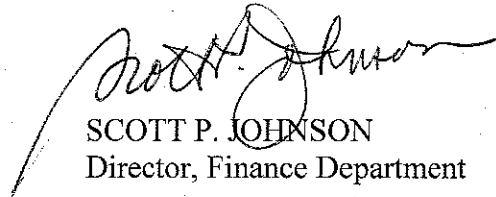
Libraries Bond Citizen Oversight Committee

Subject: Status Report on the 2006-2007 Annual Audit of the Libraries Bond Projects Fund

November 26, 2007

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The CAFR is posted on the City's web site (www.csjfinance.org) where the complete report can be found. Copies can also be obtained from the Finance Department on the 13th floor of City Hall at 200 East Santa Clara Street, San José, California.



SCOTT P. JOHNSON
Director, Finance Department

Attachments

City of San José
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
For The Year Ended June 30, 2007

	Branch Libraries Bond Projects (Fund 472)
REVENUES	
Taxes	\$ -
Intergovernmental	-
Charges for current services	-
Interest and other revenues:	
Interest	5,670,140
Other revenues	-
Total revenues	<u>5,670,140</u>
EXPENDITURES	
Current:	
Capital maintenance	-
Capital outlay	24,619,232
Total expenditures	<u>24,619,232</u>
Excess (deficiency) of revenues over (under) expenditures	(18,949,092)
OTHER FINANCING SOURCES (USES)	
Bonds issued	-
Transfers in	722,219
Transfers out	-
Total other financing sources (uses)	<u>722,219</u>
Net change in fund balances	(18,226,873)
Fund balances - beginning	<u>104,733,666</u>
Fund balances - ending	<u>\$ 86,506,793</u>

City of San José
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2007

		Branch Libraries Bond Projects (Fund 472)
ASSETS		
Equity in pooled cash and investments held in City Treasury	\$	-
Receivables (net of allowance for uncollectibles)		-
Due from other funds		-
Advances and deposits		-
Restricted assets:		
Equity in pooled cash and investments held in City Treasury		-
Other investments		116,423,406
Total assets	\$	<u>116,423,406</u>
LIABILITIES		
Accounts payable	\$	1,614,243
Accrued salaries, wages and payroll taxes		55,015
Due to other funds		28,247,355
Advances from other funds		-
Total liabilities		<u>29,916,613</u>
FUND BALANCE		
Reserved for:		
Encumbrances		17,312,304
Noncurrent advances and loans		-
Unreserved:		
Undesignated		69,194,489
Total fund balance		<u>86,506,793</u>
Total liabilities and fund balance	\$	<u>116,423,406</u>