

City of San Diego
Office of the Auditor and Comptroller

AUDIT REPORT

Thursday, August 09, 2007

To: Lakshmi Kommi, Director of Debt Management

From: Kyle Elser, Interim Internal Auditor

Subject: COMMUNITY FACILITY DISTRICT NO. 3, LIBERTY STATION
PHASE 1 PARK FACILITIES

Copy: Honorable City Audit Committee Members
Jay Goldstone, Interim Chief Operating Officer/Chief Financial Officer
Gail Granewich, City Treasurer
Mary Lewis, Director Financial Management
Elena Perez, Accounting Operations Manager
Elizabeth Kelly, Debt Management Program Manager
Charles Wilcox, Special Districts Supervisor

We have completed a review of the cost documentation submitted by David Taussig & Associates, Inc., Professional Engineering Firm, for Park Phase 1 Facilities within Community Facilities District (CFD) No. 3, Liberty Station. The Professional Engineering Firm is responsible for determining the improvements are in place, reasonable in amount, and properly chargeable to the CFD. We reviewed vendor invoices, canceled checks, and other supporting documentation. The requested reimbursement amount from the developer McMillin-NTC, LLC is \$7,239,724.41. Our review determined the amount requested is sufficiently supported and accurate.

RECOMMENDATION: Reimburse the developer \$7,239,724.41 for Park Phase 1 Facilities based on the availability of special taxes and or special tax bond proceeds.

If you have any questions, please contact me.



Kyle Elser
Interim Internal Auditor

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