



Transmitted via e-mail

November 21, 2012

Mr. John P. Donnelly, Executive Director  
Wildlife Conservation Board  
1807 13<sup>th</sup> Street, Suite 103  
Sacramento, CA 95811

Dear Mr. Donnelly:

**Final Report—California Waterfowl Association, Propositions 50 and 84 Grant Audits**

The Department of Finance, Office of State Audits and Evaluations, has completed its audits of the following California Waterfowl Association's grants: WC-7083PP, WC-7084PP, and WC-8006CF.

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 California Waterfowl Association. If you have any questions regarding this report, please contact Diana Antony, Manager, at (916) 322-2985.

Sincerely,

Original signed by Richard Sierra for:

David Botelho, CPA  
Chief, Office of State Audits and Evaluations

Enclosure

cc: Mr. Peter Perrine, Acting Assistant Executive Director, Wildlife Conservation Board  
Ms. Cynthia Alameda, Budget Officer, Wildlife Conservation Board  
Ms. Julie Alvis, Deputy Assistant Secretary, Natural Resources Agency  
Mr. Bryan Cash, Deputy Assistant Secretary, Natural Resources Agency  
Mr. John D. Carlson, Jr., President, California Waterfowl Association  
Mr. Jake Messerli, Vice President, Conservation Programs, California Waterfowl Association  
Mr. Colby Heaton, Director of Finance and Administration, California Waterfowl Association  
Ms. Nancy Williams, Accountant, California Waterfowl Association

California Waterfowl Association  
Proposition 50 and 84 Bond Programs  
Grant Agreements  
WC-7083PP, WC-7084PP and WC-8006CF



Source: California Waterfowl Association

Prepared By:  
Office of State Audits and Evaluations  
Department of Finance

**MEMBERS OF THE TEAM**

Diana Antony, CPA  
Manager

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Patty Roth  
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Final reports are available on our website at <http://www.dof.ca.gov>

You can contact our office at:

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# BACKGROUND, SCOPE AND METHODOLOGY

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## BACKGROUND

California voters approved the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50), and the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) for \$3.4 billion and \$5.4 billion, respectively. The bond proceeds finance a variety of resource programs and are administered by several state agencies that provide grants to local government and non-profit organizations.

The California Waterfowl Association (Association) works in partnership with state, federal, and local agencies as well as private landowners to provide professional habitat services. Association biologists provide technical assistance to coordinate, plan, and supervise habitat enhancement, restoration and management projects.<sup>1</sup>

The Association received the following Proposition 50 and 84 grants from the Wildlife Conservation Board (Board):

- *Grizzly Island Wildlife Area Uplands and Wetlands Enhancement Grant, Solano County (WC-7083PP)*—Proposition 50 grant totaling \$750,000 to enhance approximately 475 acres of uplands and 150 acres of wetlands, and to upgrade the water delivery system. The project included weed control; grass restoration; replacement of water control structures; levee, pond, and ditch repair/enhancement; installation of duck blinds; and parking lot renovation/construction.
- *Yolo Bypass Wildlife Area Fireman's Unit Wetland Enhancement Grant, Yolo County (WC-7084PP)*—Proposition 50 grant totaling \$163,000 to enhance approximately 262 acres of seasonal wetlands and 118 acres of uplands. The project included construction of islands, berms, and peninsulas; installation of water control structures; soil enhancement; levee construction; creation of upland buffers; installation of duck blinds and fencing; and planting of trees.
- *Chickahominy Creek Habitat Restoration Grant, Yolo County (WC-8006CF)*—Proposition 84 grant totaling \$404,000 to restore approximately 40 acres of riparian habitat and plant 50 acres of native grasses and 4.5 miles of hedgerows, while improving water efficiency on the agricultural portions of the property. The project included excavation of water channels and ponds; installation of water control structures; and a habitat management and maintenance plan.

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<sup>1</sup> Source: California Waterfowl Association

## SCOPE

In accordance with the Department of Finance's bond oversight responsibilities, we audited of the following grants:

<u>Grant Number</u>	<u>Audit Period</u> <sup>2</sup>
WC-7083PP	May 22, 2008 through November 7, 2011
WC-7084PP	May 22, 2008 through December 31, 2009
WC-8006CF	August 28, 2009 through March 9, 2011

The audit objectives were to determine whether the Association's 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.

The Association's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. The Board is responsible for the state-level administration of the bond programs.

## METHODOLOGY

To determine whether grant expenditures were in compliance with applicable laws, regulations, and the grant requirements, we performed the following procedures:

- Interviewed key personnel.
- Obtained an understanding of the grant-related internal controls.
- Examined the grant files, the grant agreements, and applicable policies and procedures.
- Reviewed the Association's accounting records, vendor invoices, and bank statements.
- Selected a sample of 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 project existence.
- Evaluated whether a sample of grant deliverables required by the grant agreement were met.

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.

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<sup>2</sup> Interim audits were conducted on grants WC-7083PP and WC-8006CF, as the grant terms ended December 31, 2011 and final claims had not been processed.

The results of the audits are based on our review of documentation, other information made available to us, and interviews with staff directly responsible for administering grant funds.

The grant expenditures were in compliance with the requirements of the grant agreements. The Schedules of Claimed Amounts are presented in Table 1.

**Table 1: Schedules of Claimed Amounts**

<b>Grant Agreement WC-7083PP</b>	
<b>Category</b>	<b>Claimed</b>
Dirt Work	\$ 147,998
Public Access	38,941
Survey	6,000
Upland Preparation and Planting	333,614
Water Control Structures	72,166
Signs and Installation	4,252
Baseline Surveys and Design	56,125
Contract Administration, Project Design, Construction Management	40,636
Overhead	25,367
<b>Total Expenditures</b>	<b>\$ 725,099</b>

<b>Grant Agreement WC-7084PP</b>	
<b>Category</b>	<b>Claimed</b>
Earthmoving (Levee/Swale/Island Construction)	\$ 46,250
Water Control Structures (Installed)	27,909
Gravel Road, Parking Pad, and Grading	21,320
Tree Plantings	5,490
New Wire Fencing	33,150
Blinds (Installed)	7,200
Survey, Engineering, Design, and Project Management	21,681
<b>Total Expenditures</b>	<b>\$ 163,000</b>

<b>Grant Agreement WC-8006CF</b>	
<b>Category</b>	<b>Claimed</b>
Large Weir and Pipe Installed	\$ 24,100
Small Weir and Pipe Installed	54,068
Rice Boxes Installed	8,050
Rock Rip Rap (for Large Weirs and Spillway)	20,865
Native Grass Seed and Planting	16,973
Plant Materials and Installation	32,533
Tree Cuttings Installed	3,489
Earthwork and Ground Preparation	102,319
Project Design, Management, and Administration	39,997
Two Years Habitat Management, Maintenance, and Monitoring	57,269
<b>Total Expenditures</b>	<b>\$359,663</b>