



Transmitted via e-mail

October 7, 2014

Mr. Samuel P. Schuchat, Executive Officer
State Coastal Conservancy
1330 Broadway, 13th Floor
Oakland, CA 94612

Mr. John Donnelly, Executive Director
Wildlife Conservation Board
1807 13th Street, Suite 103
Sacramento, CA 95811

Dear Mr. Schuchat and Mr. Donnelly:

Final Report—Golden Gate National Parks Conservancy, Propositions 40 and 84 Grant Audits

The Department of Finance, Office of State Audits and Evaluations, has completed its audits of the Golden Gate National Parks Conservancy's (Conservancy) grants awarded by the State Coastal Conservancy (SCC) and the Wildlife Conservation Board (WCB):

<u>Grantor</u>	<u>Agreement Number</u>	<u>Award Amount</u>
SCC	07-078	\$500,000
SCC	07-093	\$120,000
SCC	07-206	\$385,000
SCC	09-068	\$1,000,000
WCB	WC-1091TC	\$1,260,000

The enclosed report is for your information and use. Because there were no audit observations 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 Conservancy. If you have any questions regarding this report, please contact Susan Botkin, Manager, or Rebecca McAllister, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

Richard R. Sierra, CPA
Chief, Office of State Audits and Evaluations

Enclosure

cc: Ms. Mary Small, Deputy Executive Officer, State Coastal Conservancy
Ms. Nadine Peterson, Deputy Executive Officer, State Coastal Conservancy
Ms. Regine Serrano, Chief of Administrative Services, State Coastal Conservancy
Mr. Peter Perrine, Assistant Executive Director, Wildlife Conservation Board
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, California Natural Resources Agency
Ms. Julie Alvis, Deputy Assistant Secretary, California Natural Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency
Mr. Nicolas Elsishans, Executive Vice President and Chief Operating Officer, Golden Gate National Parks Conservancy

Golden Gate National Parks Conservancy
Proposition 40 and 84 Bond Programs
Grant Agreements 07-078, 07-093,
07-206, 09-068, and WC-1091TC



Redwood Creek Post Phase 3 Construction, November 2011
Source: Golden Gate National Parks Conservancy

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

MEMBERS OF THE TEAM

Susan M. Botkin, CGFM
Manager

Rebecca McAllister, CPA
Supervisor

Staff
Jedediah Thompson

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

You can contact our office at:

Department of Finance
Office of State Audits and Evaluations
915 L Street, 6th Floor
Sacramento, CA 95814
(916) 322-2985

BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

BACKGROUND

California voters approved the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40), and the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), for \$2.6 billion and \$5.4 billion, respectively. The bond proceeds finance a variety of natural resource programs.

The Golden Gate National Parks Conservancy (Conservancy) is a non-profit conservation organization established in 1981. The Conservancy's mission is to preserve the Golden Gate National Parks, enhance visitor experience, and build a community dedicated to conserving the parks for the future.¹ The Conservancy received the following grant awards from the State Coastal Conservancy (SCC) and the Wildlife Conservation Board (WCB):

- Grant 07-078—Proposition 40 grant totaling \$500,000 to fund construction of the California Coastal Trail and connecting trails on the National Park Service's Mori Point property.
- Grant 07-093—Proposition 84 grant totaling \$120,000 to fund coordination of volunteers to conduct restoration activities in the Redwood Creek watershed, and for trail construction and maintenance in the Presidio of San Francisco.
- Grant 07-206—Proposition 40 grant totaling \$385,000 to fund improvement of public access and habitat restoration to the Dias Ridge Trail in Marin County. The project's total cost is estimated at \$1,165,369.
- Grant 09-068—Proposition 84 grant for \$1,000,000 to restore the natural function to 2,500 linear feet of the Redwood Creek and 31 acres of the adjacent floodplain. The grant also included an additional \$992,000 in federal funds for a total grant award of \$1,992,000.
- Grant WC-1091TC—Proposition 40 grant totaling \$1,260,000 to fund restoration of the natural creek alignment and function of the lower Redwood Creek, upstream from Muir Beach in Marin County

¹ Grant application and excerpts from www.parksconservancy.org

SCOPE

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

<u>Grant Agreement</u>	<u>Audit Period</u>
07-078	April 9, 2008 through January 25, 2010
07-093	March 7, 2008 through December 31, 2011
07-206	June 27, 2008 through March 15, 2010
09-068	June 21, 2010 through March 30, 2014
WC-1091TC	June 2, 2011 through December 31, 2012

The audit objectives were to determine whether the Conservancy'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.

Conservancy management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. SCC, WCB, and the California Natural Resources Agency are responsible for the state-level administration of the bond program(s).

METHODOLOGY

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

- Examined the grant files, the grant agreements, and applicable policies and procedures.
- Reviewed the grantee's accounting records, vendor invoices, and contractor work plans.
- Selected a sample of claimed expenditures and determined whether they were allowable, grant-related, incurred within the grant period, supported by accounting records, and properly recorded.
- Evaluated whether other revenue sources were used to reimburse expenditures claimed for reimbursement under the grant agreements.
- Evaluated whether grant deliverables were met by reviewing supporting documentation, photographs, final project reports, National Park Service letters of acceptance, and grantor project completion audits.

We conducted these audits in accordance with generally accepted government performance auditing standards. Those standards require that we plan and perform the audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Additionally, in conducting our audits, we obtained an understanding of the Conservancy's internal controls, including any information systems controls, as they relate to and that we considered significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal control that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

RESULTS

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.

Based on the procedures performed, the grant expenditures claimed complied with the grant requirements. Additionally, the grant deliverables were completed as specified in the grant agreements. The Schedules of Claimed Amounts are presented below.

Schedules of Claimed Amounts

Grant Agreement 07-078	
Task	Claimed
Construction of Mori Point Coastal Trail and West Bowl Trail	\$ 500,000
Total Grant Funds	\$ 500,000

Grant Agreement 07-093	
Task	Claimed
Redwood Creek: Nursery Supplies, Materials, and Tools	\$ 6,401
Redwood Creek: Volunteer Training and Management of Re-Vegetation	48,213
Presidio Trail: Propagate Native Plants at the Presidio Native Nursery	41,356
Presidio Trail: Install and Maintain Native Plants	24,030
Total Grant Funds	\$ 120,000

Grant Agreement 07-206	
Task	Claimed
Construct New Multi-Use Trail Alignment	\$ 385,000
Total Grant Funds	385,000
Matching Funds	780,369
Total Project Expenditures	\$ 1,165,369

Grant Agreement 09-068	
Task	Claimed
Personnel	\$ 228,775
Contract Services	1,760,013
Materials, Supplies, Travel, Vehicle, Etc.	3,212
Total Grant Funds	\$ 1,992,000

Grant Agreement WC-1091TC	
Task	Claimed
Mobilization/Demobilization	\$ 103,260
Site Preparation	150,772
Earthmoving	578,513
Gravel and Rock	107,250
Planting	10,353
Winterization and Erosion Control	93,280
Project and Construction Management	52,244
Contingencies	164,328
Total Grant Funds	\$ 1,260,000