



Transmitted via e-mail

August 1, 2014

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

Dear Mr. Donnelly:

**Final Report—Northern California Regional Land Trust, Proposition 1E Grant Audit**

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the Northern California Regional Land Trust's (NCRLT) grant WC-1158 WG, issued by the Wildlife Conservation Board.

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 NCRLT. If you have any questions regarding this report, please contact Cheryl McCormick, Assistant Chief, or Alma Ramirez, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: 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. John Hunt, Executive Director, Northern California Regional Land Trust

Northern California Regional Land Trust  
Proposition 1E Bond Program  
Grant Agreement WC-1158 WG



Lower Deer Creek Falls  
Source: <http://www.sierranevada.com/wildrivers>

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

**MEMBERS OF THE TEAM**

Cheryl L. McCormick, CPA  
Assistant Chief

Alma Ramirez, CPA  
Supervisor

Staff  
Rosalie Bradley

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

You can contact our office at:

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Sacramento, CA 95814  
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# BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

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## **BACKGROUND**

California voters approved the Disaster Preparedness and Flood Protection Bond Act of 2006 (Proposition 1E) for \$4.09 billion. The bond proceeds finance a variety of flood control and natural resource programs.

The Northern California Regional Land Trust's (NCRLT) mission is to assist landowners, agencies, and community partners in the conservation of land and other natural resources. NCRLT is dedicated to the conservation of open spaces, working lands, and natural resources for generations to come.<sup>1</sup>

The Wildlife Conservation Board (WCB) awarded NCRLT a \$1.085 million Proposition 1E grant (WC-1158 WG) for the acquisition of approximately 600 acres of land, known as Lassen Foothills, Expansion 8 (Lower Deer Creek Falls), located in the County of Tehama. The property shall be held and used by NCRLT to protect rare, endangered, threatened or fully protected species within the riparian corridor, canyon slopes and hillsides, and continue to provide compatible public access and use.

## **SCOPE**

In accordance with the Department of Finance's bond oversight responsibilities, we audited grant WC-1158 WG for the period December 8, 2011 through August 8, 2012.

The audit objectives were to determine whether the NCRLT'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. Further, no assessment was performed on the reasonableness of the land acquisition costs or the conservation value of acquired land or projects completed.

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

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<sup>1</sup> Source: [www.landconservation.org](http://www.landconservation.org).

## 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.
- Examined the grant files, the grant agreement, and applicable policies and procedures.
- Reviewed accounting records, timesheets, vendor invoices, and payment requests.
- 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.
- Performed procedures to determine if other revenue sources were used to reimburse expenditures already reimbursed with grant funds.
- Evaluated whether a sample of grant deliverables required by the grant agreement were met by reviewing supporting documentation and conducting a site visit to verify project existence.

We conducted this audit in accordance with generally accepted government performance auditing standards. Those standards require that we plan and perform the audit 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.

## 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 grant expenditures claimed were in compliance with the requirements of the grant agreement, and grant deliverables were completed as required. The Schedule of Claimed Amounts is presented below.

### Schedule of Claimed Amounts

Grant Agreement WC-1158 WG	
Task	Claimed
Land Acquisition – Lassen Foothills, Expansion 8	\$ 1,085,000
<b>Total Project Expenditures</b>	<b>\$ 1,085,000</b>