



Transmitted via e-mail

August 20, 2015

Mr. Charlton H. Bonham, Director
California Department of Fish and Wildlife
1416 Ninth Street, 12th Floor
Sacramento, CA 95814

Dear Mr. Bonham:

Final Report—Placer County Resource Conservation District, Proposition 50 Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of Placer County Resource Conservation District's (District) grant E0720019 issued by the California Department of Fish and Wildlife.

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 District. If you have any questions regarding this report, please contact Diana Antony, Manager, or Mary Camacho, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: Mr. Gabe Tiffany, Deputy Director, California Department of Fish and Wildlife
Ms. Lisa Gallegos, Assistant Deputy Director for Administration, California Department of Fish and Wildlife
Ms. Mary Dunne, Grant Manager, California Department of Fish and Wildlife
Ms. Elisa Noble, Executive Director, Placer County Resource Conservation District
Ms. Katie Maloney, Operations Manager, Placer County Resource Conservation District
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

Placer County Resource Conservation District
Proposition 50 Bond Program
Grant Agreement E0720019



Dry Creek Watershed
Source: Placer County Resource Conservation District website

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

MEMBERS OF THE TEAM

Diana Antony, CPA
Manager

Mary Camacho, CPA
Supervisor

Staff
Caleb Deng

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

You can contact our office at:

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Office of State Audits and Evaluations
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(916) 322-2985

BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

BACKGROUND

California voters approved the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50). The \$3.44 billion in bond proceeds finance a variety of natural resource programs. Proposition 50 added Division 26.5, Chapter 7, section 79550 (e), to the Public Resources Code authorizing the Legislature to appropriate up to \$180 million to the California Department of Fish and Wildlife (DFW) for projects that assist farmers in integrating agricultural activities with ecosystem restoration.

DFW awarded a \$1.9 million Proposition 50 grant to the Placer County Resource Conservation District (District) under the Ecosystem Restoration Program. The purpose of the grant was to develop a GIS-based¹ “working landscapes” plan for the American basin. The project implemented easements, riparian restoration, wetland restoration, and habitat restoration. The project’s goal was to reduce the conversion of agricultural lands and to avoid wildlife impacts that would further limit the ability of the regional landscape to support various species. In 1946, the District was organized as a special district of the State of California. The District, in partnership with other entities, assists private landowners and public agencies to accomplish the conservation of natural resources. The District covers all of Placer County, except for the Tahoe Basin.

SCOPE

In accordance with the Department of Finance’s bond oversight responsibilities, we audited Grant E0720019 for the period July 1, 2007 through December 31, 2012.

The audit objectives were to determine whether the District’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.

The District’s management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. DFW and the California Natural Resources Agency are responsible for the state-level administration of the bond program.

¹ Geographic Information System.

METHODOLOGY

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

- Examined the grant files, grant agreement, and applicable laws, regulations, policies and procedures.
- Selected a sample of claimed expenditures to determine 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 agreement.
- Determined whether a sample of grant deliverables, such as easement documents and final reports, complied with the grant agreement by reviewing appraisal documents, easement deeds, escrow statements, final report, and other relevant documentation.

In conducting our audit, we obtained an understanding of the District's internal controls, including any information systems controls 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 our audit and determined to be significant within the context of our audit objectives are included in this report.

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

Based on the procedures performed, the grant expenditures claimed complied with the grant agreement. Additionally, the grant deliverables were completed as specified in the grant agreement. The Schedule of Claimed Amounts is presented below.

Schedule of Claimed Amounts

| Grant Agreement E0720019 | |
|--------------------------|----------------------|
| Category | Claimed ² |
| Personnel Services | \$ 4,715 |
| Benefits | 1,580 |
| Operating Expenses | 17,288 |
| Subcontractor | 1,712,856 |
| Overhead Costs | 2,507 |
| Total Grant Funds | \$1,738,946 |

² DFW awarded \$1,860,898 and the District claimed \$1,738,946.