



Transmitted via e-mail

December 13, 2010

Mr. Joseph T. Edmiston, Executive Director  
Santa Monica Mountains Conservancy  
5750 Ramirez Canyon Road  
Malibu, CA 90265

Dear Mr. Edmiston:

**Final Report—Rancho Simi Recreation and Park District Tapo Canyon Grant Audit**

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its audit of the Rancho Simi Recreation and Park District's (District) grant agreement NP-0615 for the period February 27, 2006 through February 28, 2007.

The enclosed report is for your information and use. Because there were no findings or issues requiring a response, we are issuing the report as final.

In accordance with Finance's policy of increased transparency, this report will be placed on our website. Additionally, pursuant to Executive Order S-20-09, please post this report in its entirety to the Reporting Government Transparency website at <http://www.reportingtransparency.ca.gov/> within five working days of this transmittal.

We appreciate the assistance and cooperation of the Rancho Simi Recreation and Park District and the Santa Monica Mountains Conservancy. If you have any questions, please contact Susan M. Botkin, Manager, or Robert Scott, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: Mr. Larry Peterson, General Manager, Rancho Simi Recreation and Park District  
Mr. Ed Hayduk, Assistant General Manager, Rancho Simi Recreation and Park District  
Ms. Theresa Pennington, Supervisor, Accounting, Rancho Simi Recreation and Park District  
Ms. Rorie Skei, Chief Deputy Director, Santa Monica Mountains Conservancy  
Mr. Patrick Kemp, Assistant Secretary, California Natural Resources Agency  
Mr. Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency  
Ms. Julie Alvis, Deputy Assistant Secretary, California Natural Resources Agency

A GRANT AUDIT

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Rancho Simi Recreation and Park District  
Tapo Canyon Property Acquisition  
Grant Agreement NP-0615



Source: Rancho Simi Recreation and Park District

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

## **MEMBERS OF THE TEAM**

Susan M. Botkin, CGFM  
Manager

Robert Scott, CPA  
Supervisor

Staff  
Ramon Juarez

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  
300 Capitol Mall, Suite 801  
Sacramento, CA 95814  
(916) 322-2985

**BACKGROUND**

In November 2002, California voters approved the Water Security, Clean Drinking Water, Coastal and Beach Protection Bond Act of 2002 (Proposition 50). The \$3.44 billion in bond proceeds provide funds for grants and loans to assist in meeting safe drinking water standards, acquisition, restoration, protection, and development of river parkways, and coastal watershed and wetland protection.

**Santa Monica Mountains Conservancy**

Santa Monica Mountains Conservancy (Conservancy) was established by the California State Legislature in 1980. The Conservancy’s mission is to strategically buy back, preserve, protect, restore, and enhance treasured pieces of Southern California to form an interlinking system of urban, rural and river parks, open space, trails, and wildlife habitats easily accessible to the general public. The Conservancy accomplishes its mission through grants to local agencies, nonprofit organizations, and other eligible applicants.

**Rancho Simi Recreation and Park District**

Rancho Simi Recreation and Park District (District) is an independent special district formed in 1961. The district is governed by an elected board of directors with a jurisdiction consisting of Simi Valley and Oak Park in Ventura County, offering over 50 parks and recreational facilities, sports leagues, classes, hiking trails, events, and other activities.

The District received a Proposition 50 grant from the Conservancy for acquisition of the Tapo Canyon property for open space preservation and public access.

**SCOPE**

In accordance with the Department of Finance’s bond oversight responsibilities, we conducted an audit of the following grant:

<u>Grant Agreement</u>	<u>Grant Period</u>	<u>Awarded</u>
NP-0615	February 27, 2006 through February 28, 2007	\$975,000

The audit objective was to determine whether the District complied with applicable laws, regulations, and grant requirements. In order to design adequate procedures to evaluate compliance, we obtained an understanding of the relevant controls. However, we did not assess the efficiency or effectiveness of program operations.

The District’s management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements as well as evaluating the efficiency and effectiveness of the program. The Conservancy along with California Natural Resources Agency is responsible for state-level administration of the bond programs.

## METHODOLOGY

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

- Interviewed key personnel to obtain an understanding of grant-related controls.
- Examined the grant files, accounting records, and applicable policies and procedures.
- Reviewed land acquisition records to determine if costs were allowable, grant related, and incurred within the grant period.
- Conducted a site visit to verify property existence.

The audit results are based on review of documentation, other information made available to us, and interviews with staff directly responsible for administering the bond funds. Audit procedures were completed in July 2010. In addition, audit procedures evaluated compliance with applicable laws, regulations, and grant requirements through April 30, 2010. As bond grant funds were used to acquire real property as open space with public access, the District will have ongoing maintenance and security requirements.

This audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our observations and recommendations.

## RESULTS

Based on the audit procedures performed, the District complied with laws, regulations, and grant requirements and no findings or questioned costs are reported. The Schedule of Claimed, Audited, and Questioned Amounts is presented in Table 1.

**Table 1: Schedule of Claimed, Audited, and Questioned Amounts**

<b>Grant Agreement NP-0615</b>			
<b>February 27, 2006 through February 28, 2007</b>			
<b>Category</b>	<b>Claimed</b>	<b>Audited</b>	<b>Questioned</b>
Land Acquisition	\$975,000	\$975,000	\$ 0