

Transmitted via e-mail

October 12, 2012

Mr. Mike Tollefson, President
Yosemite Conservancy
101 Montgomery Street, Suite 1700
San Francisco, CA 94104

Dear Mr. Tollefson:

Review of the Yosemite Foundation Account, Fund 0071

At the request of the Governor's Office, the Department of Finance performed a review of the Yosemite Foundation Account (Fund 0071) administered by the Yosemite Conservancy (Conservancy). The purpose of the review was to determine whether fees collected from sales of the Yosemite License Plates are being used in accordance with the authorizing statutes.

Results Summary

The Conservancy, a non-profit organization, is in compliance with the fund uses and restrictions as outlined in the California Vehicle Code. Specifically, the Conservancy used Fund 0071 revenues for preservation and restoration projects, including restoration, maintenance, and repairs of trails throughout the Yosemite National Park.

Scope and Methodology

To determine if fees collected from sales of the Yosemite License Plates are used in accordance with the authorizing statutes, we performed the following:

- Reviewed applicable laws, regulations, and criteria to identify authorized fund uses and restrictions.
- Interviewed key personnel at the Conservancy and the Department of Motor Vehicles (DMV) to gain an understanding of the fund accounting and reporting processes.
- Reviewed accounting records to determine if expenditures were in compliance with authorizing statutes.
- Selected a sample of grant agreements to verify the scope of work was consistent with the authorized fund uses.

Results

The Yosemite Foundation Account (Fund 0071) was established under California Vehicle Code section 5064 within the California Environmental License Plate Fund to be used by the Conservancy for preservation and restoration projects in Yosemite National Park. In 2011, DMV reported 42,075 outstanding Yosemite Plates.

Pursuant to Vehicle Code section 5064(c), DMV is required to deposit one-half of the fees collected into the Environmental License Plate Fund and the other half to Fund 0071. See Exhibit 1 for the distribution of fees collected.

AUTHORIZED PER STATUTE	CONSERVANCY COMPLIANCE RESULTS
<p>AUTHORIZED USES <i>Vehicle Code section 5064(c)(1)</i>—Upon appropriation by the Legislature, the money in the account shall be allocated by the Controller to the Yosemite Foundation or its successor for expenditure for the exclusive trust purposes of preservation and restoration projects in Yosemite National Park.</p>	<p>Yes</p>
<p>EXPENDITURE LIMITATION <i>Vehicle Code section 5060(g)</i>—Shall not expend annually more than 25 percent of those funds on administrative costs, marketing, or other promotional activities associated with encouraging application for, or renewal of, the special license plates.</p>	<p>Yes</p>
<p>REQUIREMENT <i>Vehicle Code section 5060(d)(2)(A)</i>—If the number of currently outstanding and valid special interest license plates in any particular program...is less than 7,500...DMV will no longer issue or replace those special interest license plates.</p>	<p>Yes</p>

The Conservancy Meets the Fund’s Authorized Uses and Limitations

The Conservancy used Fund 0071 revenues solely for preservation and restoration project grants in Yosemite National Park. The Conservancy did not charge administrative costs to the Fund. Project scopes reviewed included replacement of the Yosemite Creek Bridge, funding provided to the Youth Conservation Corps Program to complete priority trail restoration and maintenance, and other comprehensive maintenance and repairs to 120 miles of trails throughout the park.

The results in this report are based on our review performed from August 2012 through September 2012. We provided the results to the Conservancy’s management on September 28, 2012, and as necessary, updated the report to incorporate their responses.

We appreciate the assistance and cooperation of the Conservancy. If you have any questions regarding this report, please contact Diana Antony, Manager, or Lisa Negri, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

cc: On following page

cc: Mr. Jerry Edelbrock, Vice President, Yosemite Conservancy
Mr. Kit Thomas, Controller, Yosemite Conservancy
Mr. Andrew Conway, Chief, Registration Operations Division, California Department of
Motor Vehicles
Ms. Kitty Kramer, Program Manager, California Department of Motor Vehicles
Mr. Jeff Mansur, Chief, Financial Services Branch, California Department of Motor Vehicles
Mr. Jim Humes, Executive Secretary for Administration, Legal Affairs and Policy, Office of
the Governor
Ms. Sue Johnsrud, Director of Operations, Office of the Governor

Exhibit 1 – Distribution of Fees Collected

