



Transmitted via e-mail

July 19, 2016

Mr. John Laird, Agency Secretary
California Natural Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Mr. Ken Pimlott, Director
California Department of Forestry and Fire Protection
P.O. Box 944246
Sacramento, CA 94244-2460

Dear Mr. Laird and Mr. Pimlott:

Final Report—Sacramento Tree Foundation, Proposition 84 Grant Audits

The Department of Finance, Office of State Audits and Evaluations, has completed its audits of the Sacramento Tree Foundation's (Foundation) grants U59254-0 and 8CA11905 awarded by the California Natural Resources Agency and the California Department of Forestry and Fire Protection, respectively.

The enclosed report is for your information and use. Because there were no audit findings 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 Foundation. If you have any questions regarding this report, please contact Diana Antony, Manager, or Mindy Patterson, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

Jennifer Whitaker, Chief
Office of State Audits and Evaluations

Enclosure

cc: 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
Ms. Janet Barentson, Chief Deputy Director, California Department of Forestry and Fire Protection
Ms. Windy Bouldin, Chief, Office of Program Accountability, California Department of Forestry and Fire Protection
Mr. Ray Tretheway, Executive Director, Sacramento Tree Foundation
Ms. Rachel Menaugh, Accounting Manager, Sacramento Tree Foundation

Sacramento Tree Foundation
Proposition 84 Bond Program
Grant Agreements U59254-0 and 8CA11905



Grant Union High School Community Green Space Project

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

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

You can contact our office at:

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BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

BACKGROUND

California voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). The \$5.4 billion in bond proceeds finance a variety of natural resource programs.

The California Natural Resources Agency (Resources) and the California Department of Forestry and Fire Protection (CAL FIRE) are responsible for administering a portion of these funds allocated by Public Resource Code section 75065 for the purpose of improving the sustainability and livability of California's communities through investment in natural resources.

The Sacramento Tree Foundation (Foundation) is a nonprofit organization with a mission to build healthy, livable communities in the Sacramento region by growing the best urban forest in the nation.¹ The Foundation was awarded the following grants:

- **Grant Union High School Community Green Space Project (U59254-0)** – Resources awarded \$990,000 to re-vegetate an area of Grant Union High School's campus using native and drought tolerant plant species to conserve water, treat urban runoff, and reduce greenhouse gas emissions. Asphalt will be removed and replaced with lighter concrete to reduce the urban heat island effect; and direct storm water to vegetated bio-swales to recharge ground water and capture rainwater.
- **Green Prescription: Research/Outreach on Role of Urban Forestry in Major Public Health Outcome (8CA11905)** – CAL FIRE awarded \$124,700 to conduct original research, using combined urban greening and health data to determine the association between the extent of urban greening, which is expressed primarily as canopy cover, and major health behaviors and outcomes in the Sacramento region of California.

SCOPE

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

Grant Agreement

U59254-0
8CA11905

Audit Period

November 1, 2012 through August 31, 2015
April 30, 2012 through March 30, 2014

¹ Source: www.sactree.com

The audit objectives were to determine whether the Foundation'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.

The Foundation's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. Resources and CAL FIRE are responsible for the state-level administration of the bond program.

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:

- Examined the grant files, grant agreements, grant guidelines, and applicable policies and procedures.
- Reviewed the Foundation's accounting records, subcontractor and consultant contracts, invoices, timesheets, bank statements, and cancelled checks.
- 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 agreement.
- Evaluated whether grant deliverables were met by reviewing supporting documentation such as the Final Completion Certification submitted to the grantor, research reports and presentations written by the Foundation, and by conducting a site visit (for the Grant Union High School grant) to verify existence of the work performed.

In conducting our audits, we obtained an understanding of the Foundation'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 audits and determined to be significant within the context of our audit objectives are included in this report.

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

RESULTS

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

Schedules of Claimed Amounts

Grant Union High School Community Green Space Project Grant Agreement U59254-0	
Category	Claimed²
Project Management	\$ 145,690
Site Preparation and Utilities	330,381
Greenscape Installation	327,931
Landscaping	165,575
Other	14,299
Total Grant Funds	\$ 983,876

Green Prescription: Research/Outreach on Role of Urban Forestry in Major Public Health Outcome Grant Agreement 8CA11905	
Category	Claimed
Personnel	\$ 23,724
Materials and Supplies	4,042
General	89,934
Overhead	7,000
Total Grant Funds	\$ 124,700
Match Funds	\$ 132,873
Total Project Expenditures	\$ 257,573

² Resources awarded \$990,000 and the grantee claimed \$983,876.