



January 8, 2009

Ms. Cathy Koos Breazeal, Executive Director  
Amador Fire Safe Council  
1920 Mariposa Mall  
Fresno, CA 93721

Dear Ms. Breazeal:

**Final Audit Report—Amador Fire Safe Council Proposition 40 Grant Agreements**

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its fiscal compliance audit of the Amador Fire Safe Council (Council) for the following Proposition 40 grant agreements:

<u>Grant Agreement</u>	<u>Audit Period</u>
8CA04588	June 1, 2005 to December 31, 2007
8CA05684	May 15, 2006 to April 15, 2008

Because there were no audit 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.

We appreciate the assistance and cooperation of the Council. If you have any questions, please contact Frances Parmelee, Manager, or Rick Cervantes, Supervisor, at (916) 322-2985.

Sincerely,

***Original signed by:***

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

Enclosure

cc: On following page

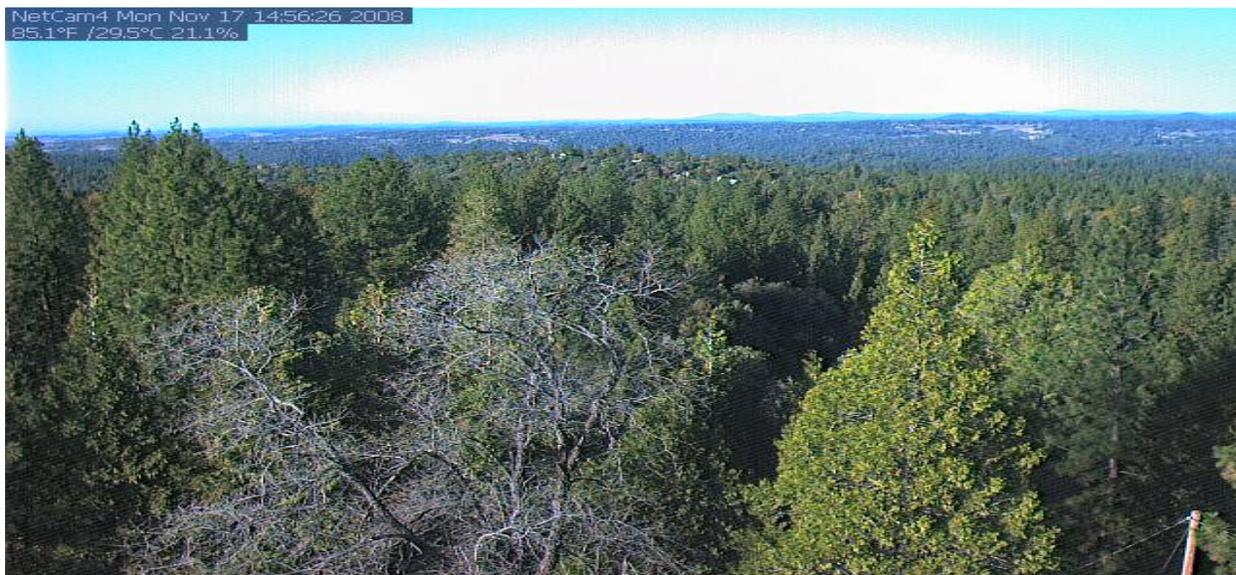
cc: Mr. Robb Forsberg, Manager, Fiscal Administration and Coordination Section, California  
Department of Forestry and Fire Protection  
Mr. Patrick Kemp, Assistant Secretary, California Natural Resources Agency  
Mr. Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency  
Ms. Julie Alvis, Deputy Assistant Secretary, California Natural Resources Agency  
Ms. Maureen Murray, Treasurer, Amador Fire Safe Council

# A FISCAL COMPLIANCE AUDIT

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## Amador Fire Safe Council

### Proposition 40 Grant Agreements 8CA04588 and 8CA05684



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

**MEMBERS OF THE AUDIT TEAM**

Frances Parmelee, CPA  
Manager

Rick Cervantes, CPA  
Supervisor

**Staff**

Ayesha Dhiman

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 96814  
(916) 322-2985

# A FISCAL COMPLIANCE AUDIT

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## BACKGROUND

On the March 2002 ballot, the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40) was passed for \$2.6 billion. These bond proceeds provide funding for clean air, clean water, clean beaches, and healthy natural ecosystems that can support both human communities and the state's native fish and wildlife. Proposition 40 also provides funding for the protection, restoration, and interpretation of the diverse cultural influences and extraordinary human achievements that have contributed to the unique development of California.

The California Department of Forestry and Fire Protection (CAL FIRE) received Proposition 40 funds for watershed protection through the community assistance fuel reduction grant program (program). The goal of the program is to reduce catastrophic wildfire risk thereby improving water quality and protecting wildlife habitat. Grant funds were available to nonprofit and government entities located in 15 central Sierra counties (Plumas, Butte, Nevada, Yuba, Placer, Amador, El Dorado, Tuolumne, Calaveras, Madera, Mariposa, Alpine, Fresno, Kings, and Tulare).

The Amador Fire Safe Council (Council) was formed as a nonprofit organization in 2001 by a small group of concerned citizens in an effort to start a movement to create a fire safe Amador County. The purpose of the Council is to reduce the risk of life and property loss from wildfire. The Council operates with one employee and a Board of Directors consisting of nine residents representing various parties, with a vested interest in fire prevention.

The Council received grants from CAL FIRE to create a shaded fuel break along Highway 88 east of Pioneer and compartmentalize large fuel blocks to protect two important watersheds (Mokelumne and Cosumnes Rivers) from damaging wildfires.

## SCOPE

In response to the Department of Finance's (Finance) bond oversight responsibilities, Finance conducted a fiscal compliance audit of the following Proposition 40 grants:

<u>Grant Agreement</u>	<u>Audit Period</u>	<u>Awarded</u>
8CA04588	June 1, 2005 to December 31, 2007	\$ 359,993
8CA05684	May 15, 2006 to April 15, 2008	\$ 167,272

The audit's objective was to determine whether the Council's grant revenues and expenditures were in compliance with applicable laws, regulations, and grant requirements.

The Council 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 CAL FIRE along with the California Natural Resources Agency is responsible for evaluating any future sale of bond funded assets.

We did not assess the efficiency or effectiveness of program operations.

This report is intended for the information and use of the CAL FIRE, the Council, and the California Natural Resources Agency management and is not intended to be and should not be used by anyone other than the specified parties. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

## **METHODOLOGY**

To determine whether grant 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 the grant-related internal controls.
- Examined the grant files maintained by CAL FIRE, the grant agreements, and applicable policies and procedures.
- Reviewed the Council's accounting records, vendor invoices, pay warrants, and bank statements.
- Reviewed payroll documentation.
- Selected a sample of expenditures, including labor costs, to determine if costs 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.

The results of the audit are based upon our review of documentation and other information made available to us and interviews with the staff directly responsible for administering bond funds. The audit was conducted October 2008 through December 2008.

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 based on our audit objectives.

## **RESULTS**

Based on the audit procedures performed, the Council met the fiscal requirements for the grant agreements and no findings or questioned costs were reported. The claimed, audited, and questioned amounts are presented in Table 1.

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

<b>Grant Agreement 8CA04588</b>			
<b>For the Period June 1, 2005 to December 31, 2007</b>			
<b>Category</b>	<b>Claimed</b>	<b>Audited</b>	<b>Questioned</b>
General Administration	\$ 20,559	\$ 20,559	\$ 0
Professional and Consultant	49,753	49,753	0
Contractual Services	184,072	184,072	0
<b>Total Expenditures</b>	<b>\$ 254,384</b>	<b>\$ 254,384</b>	<b>\$ 0</b>

<b>Grant Agreement 8CA05684</b>			
<b>For the Period May 15, 2006 to April 15, 2008</b>			
<b>Category</b>	<b>Claimed</b>	<b>Audited</b>	<b>Questioned</b>
General Administration	\$ 1,493	\$ 1,493	\$ 0
Professional and Consultant	19,973	19,973	0
Contractual Services	68,606	68,606	0
<b>Total Expenditures</b>	<b>\$ 90,072</b>	<b>\$ 90,072</b>	<b>\$ 0</b>