



Transmitted via e-mail

September 25, 2012

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

Dear Mr. Laird:

**Final Report—City of San Gabriel Proposition 12 Grant Audit**

The Department of Finance, Office of State Audits and Evaluations, has completed its interim audit of the City of San Gabriel's (City) grant 12107-19 for the period January 1, 2008 through April 30, 2012.

The enclosed report is for your information and use. Because there were no audit observations or issues 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 Natural Resources Agency. If you have any questions regarding this report, please contact Susan Botkin, Manager, or Angie Williams, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

David Botelho, CPA  
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. Polly Escovedo, Manager, Bonds and Grants, California Natural Resources Agency  
Ms. Laurie Heller, Grants Administrator, California Natural Resources Agency  
Ms. Linda Smith, Grants Administrator, California Natural Resources Agency  
Ms. Penny Harding, Grants Administrator, California Natural Resources Agency  
Ms. Rebecca Perez, Director of Parks and Recreation, City of San Gabriel  
Ms. Linda Tang, Accountant, City of San Gabriel

# AUDIT REPORT

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## City of San Gabriel Proposition 12 Bond Program Grant Agreement 12107-19



Vincent Lugo Park, City of San Gabriel

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

## **MEMBERS OF THE TEAM**

Susan Botkin  
Manager

Angie Williams  
Supervisor

Staff  
Dennis Williams

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  
915 L Street, 6<sup>th</sup> Floor  
Sacramento, CA 95814  
(916) 322-2985

# BACKGROUND, SCOPE METHODOLOGY AND RESULTS

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## BACKGROUND

California voters approved the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12). The \$2.1 billion of bond proceeds provide for grants to finance a variety of resource programs.

The City of San Gabriel (City) received a \$500,637 grant from the California Natural Resources Agency to renovate the Vincent Lugo Park. This project will expand and improve the park's open space and develop improved access to recreational activities along the Alhambra wash. Included in this phase is the addition of approximately one-half mile of interpretive walking trail along the Alhambra wash, native plantings and a dry bed collection channel for urban runoff. (Source: grant agreement 12107-19)

## SCOPE

In accordance with the Department of Finance's bond oversight responsibilities, we audited grant 12107-19 for the period January 1, 2008 through April 30, 2012. An interim audit was conducted because the grant period ends May 1, 2012; however, the City has an additional 90 days to submit its final invoice.

The audit objectives were to determine whether the City'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 City's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. The California Natural Resources Agency is 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:

- Interviewed key personnel to obtain an understanding of the grant-related internal controls.
- Examined the grant files, the grant agreement, and applicable policies and procedures.
- Reviewed the City's reimbursement claims, accounting records, vendor invoices, vendor contracts, cancelled checks, and bank statements.
- Selected a sample of expenditures 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.

- Conducted a site visit to verify project existence.
- Evaluated whether a sample of grant deliverables required by the grant agreement were met.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit 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

The results of the audit are based on our review of documentation, other information made available to us, and interviews with staff directly responsible for administering grant funds.

Based on the procedures performed, the grant expenditures claimed were in compliance with the requirements of the grant agreement and grant deliverables were progressing as required. The Schedule of Claimed Amounts is presented in Table 1.

**Table 1: Schedule of Claimed Amounts**

<b>Grant Agreement 12107-19</b>	
<b>Tasks</b>	<b>Claimed</b>
Demolition and Removal	\$ 54,000
Grading	22,192
Excavate Dry Bed Collection Stream	4,700
Install 18" RPC Storm Drain	10,395
River Bed Bank and Basin	54,433
Decomposed Granite Paths	56,879
Drinking Fountains	4,455
Install Irrigation Mainline	20,183
Irrigation System	75,600
Planting	50,243
Sod	16,200
Install Pedestrian Bridge	59,630
Sign	295
<b>Total Project Expenditures to Date</b>	<b>\$ 429,205</b>