



Transmitted via e-mail

June 17, 2014

Mr. Charlton H. Bonham, Director
California Department of Fish and Wildlife
1416 Ninth Street, 12th Floor
Sacramento, CA 95814

Dear Mr. Bonham:

Final Report—Yager/Van Duzen Environmental Stewards, Proposition 84 Grant Audits

The Department of Finance, Office of State Audits and Evaluations, has completed its audits of Yager/Van Duzen Environmental Stewards' (YES) grants P0710538, P1010512, and P1110517. These Proposition 84 grants were issued by the California Department of Fish and Wildlife.

The enclosed report is for your information and use. Because there were no audit observations 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 YES. If you have any questions regarding this report, please contact Frances Parmelee, Manager, or John Ponce, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

Richard R. Sierra, CPA
Chief, Office of State Audits and Evaluations

Enclosure

cc: Mr. Gabe Tiffany, Acting Deputy Director, Administration, California Department of Fish and Wildlife
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
Mr. Dean Hunt, President, Yager/Van Duzen Environmental Stewards
Mr. Kyle Lucas, Treasurer, Yager/Van Duzen Environmental Stewards
Ms. Dina Moore, Secretary, Yager/Van Duzen Environmental Stewards

Yager/Van Duzen Environmental Stewards
Proposition 84 Bond Program
Grant Agreements P0710538, P1010512, and P1110517



Middle Van Duzen River
Source: Coastal Watershed Program website

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 of bond proceeds finance a variety of resource programs.

Yager/Van Duzen Environmental Stewards (YES) received three grants totaling more than \$1.3 million from the California Department of Fish and Wildlife (DFW) under the Fisheries Restoration Grant Program. The mission of YES is to ensure the environmental integrity of their watershed while maintaining their heritage and the economic sustainability of their endeavors.¹

The purpose of the grants is to improve habitat conditions for Chinook salmon, Coho salmon, and steelhead trout in the Middle Van Duzen River Watershed by implementing treatments to reduce road-related sediment delivery. The project is to be accomplished over various phases.

SCOPE

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

<u>Grant Agreement</u>	<u>Audit Period</u>	<u>Amount Awarded</u>
P0710538	June 1, 2008 through March 31, 2010	\$362,649
P1010512	June 1, 2011 through March 31, 2013	\$352,648
P1110517	June 1, 2012 through March 31, 2013 ²	\$630,520

The audit objectives were to determine whether YES'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.

YES management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. DFW is responsible for the state-level administration of the bond program.

¹ Excerpt from YES's Information Pamphlet.

² An interim audit was conducted on grant P1110517 because the grant term ended March 31, 2014, and fieldwork was performed prior to the grant end date.

METHODOLOGY

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

- Interviewed key personnel to obtain an understanding of the grant-related internal controls.
- Examined the grant files, the grant agreements, and applicable policies and procedures.
- Reviewed YES's accounting records, contracts, vendor invoices, and payment requests.
- Reviewed the contractor accounting records, vendor invoices, and timesheets.
- Selected a sample of 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 agreements.
- Evaluated whether a sample of grant deliverables were met by reviewing supporting documentation.

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

RESULTS

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

The grant expenditures claimed were in compliance with the grant agreements and grant deliverables were completed as required. The Schedules of Claimed Amounts are presented below.

Table 1: Schedules of Claimed Amounts

Grant Agreement P0710538	
Budget Categories	Claimed³
Operating Expenses	\$ 307,269
Administration Overhead	26,118
Total Grant Funds	333,387
Match Funds	148,024
Total Project Expenditures	\$ 481,411

³ DFW awarded \$362,649 and YES claimed \$333,387.

Grant Agreement P1010512	
Budget Categories	Claimed⁴
Personal Services	\$ 2,835
Operating Expenses	349,521
Administration Overhead	284
Total Grant Funds	352,640
Match Funds	164,867
Total Project Expenditures	\$ 517,507

Grant Agreement P1110517	
Budget Categories	Claimed⁵
Operating Expenses	\$ 105,859
Total Grant Funds	105,859
Match Funds	45,750
Total Project Expenditures	\$ 151,609

⁴ DFW awarded \$352,648 and YES claimed \$352,640.

⁵ DFW awarded \$630,520 and YES claimed \$105,859 as of May 2013. The grant period ends March 31, 2014.