



Transmitted via e-mail

September 27, 2012

Mr. John Donnelly, Executive Director
Wildlife Conservation Board
1807 13th Street, Suite 103
Sacramento, CA 95811

Dear Mr. Donnelly:

Final Report—City of Fresno Proposition 12 Grant Audits

The Department of Finance, Office of State Audits and Evaluations, has completed its audits of the City of Fresno's (City) grants WC-2043TC and WC-1032SW issued by the Wildlife Conservation Board under Proposition 12.

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 City. 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. Peter Perrine, Assistant Director, Wildlife Conservation Board
Ms. Cynthia Alameda, Budget Officer, Wildlife Conservation Board
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, 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. Karen Norris, Administrative Manager, City of Fresno
Mr. Bruce Rudd, Interim Director, City of Fresno, Parks, After School, Recreation, and Community Services Department
Ms. Irma Yopez-Perez, Grant Writer, City of Fresno, Parks, After School, Recreation, and Community Services Department

AUDIT REPORT

City of Fresno Proposition 12 Bond Program Grant Agreements WC-2043TC and WC-1032SW



Lewis S. Eaton Trail

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

MEMBERS OF THE TEAM

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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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(916) 322-2985

BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

BACKGROUND

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

The City of Fresno (City) received the following Proposition 12 grants from the Wildlife Conservation Board (WCB):

- *San Joaquin River Parkway, Lewis S. Eaton Trail, Friant Road Segment Project (WC-2043TC)*—\$830,000 for trail improvements including a San Joaquin River Parkway entrance feature, restrooms, drinking fountains, trees, irrigation, and signage.
- *San Joaquin River Parkway, Lewis S. Eaton Trail Project (WC-1032SW)*—\$746,430 to assist the City in construction of multi-use trails and public access facilities on the Riverside Trail, Riverside Right-of-Way, and River Bottom Park sections of the proposed San Joaquin River Parkway, Lewis S. Eaton Trail.

SCOPE

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

<u>Grant Agreement</u>	<u>Audit Period</u>
WC-2043TC	November 22, 2002 through June 30, 2009
WC-1032SW	August 30, 2001 through April 15, 2009 ¹

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. WCB and the California Natural Resources Agency are responsible for the state-level administration of the bond programs.

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:

¹ The grant project was stopped on April 15, 2009 and never completed due to unanticipated encroachment rights from the Burlington Northern Santa Fe Railroad.

- 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 the grantee's accounting records and vendor invoices.
- 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 site visits to verify project existence.
- Evaluated whether a sample of grant deliverables required by the grant agreements were met and/or in progress.

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 audits 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 agreements, and although grant WC-1032SW deliverables were in progress, the project was not completed due to unforeseen circumstances. Because the grant contract was expiring in April 2009 and the City had already requested various amendments, the project agreement was allowed to terminate. Unclaimed grant funds of \$117,789 were liquidated. The Schedules of Claimed Amounts are presented in Table 1.

Table 1: Schedules of Claimed Amounts

Grant Agreement WC-2043TC	
Task	Claimed
Restrooms/Drinking Fountains/Benches	\$ 231,000
Gateway/Entry Structure	43,621
Irrigation and Water Lines	121,873
Maps/Brochures	4,499
Interpretive Displays/Designs	4,500
Signage and Structures	4,779
Trees, Stakes, Ties, Fertilizer, Planting	1,446
Concrete Walkways	38,998
Design/Engineering	107,226
Project Administration and Management	91,177
Project Inspection	99,881
Site Electrical	81,000
Total Grant Expenditures Claimed and Paid	830,000
Total Match Expenditures	24,939
Total Project Expenditures	\$ 854,939

Grant Agreement WC-1032SW	
Task	Claimed
Riverside Trail	\$ 489,250
Riverside Trail Right of Way	69,623
River Bottom Park and Loop Trail	89,340
Total Project Expenditures	648,213 ²
Less Total Match Expenditures (included above) ³	19,572
Total Grant Expenditures Claimed and Paid	\$ 628,641

² The WCB awarded \$746,430; however, the grantee only expended \$648,213 because the project was stopped.

³ Match was not broken into specific tasks. The total project expenditures of \$648,213 included \$19,572 of City match, while the total grant expenditures claimed and paid totaled \$628,641.