



Transmitted via e-mail

June 5, 2012

Mr. John P. Donnelly, Executive Director  
Wildlife Conservation Board  
1807 13<sup>th</sup> Street, Suite 103  
Sacramento, CA 95811

Mr. Samuel P. Schuchat, Executive Director  
California State Coastal Conservancy  
1330 Broadway, 13<sup>th</sup> Floor  
Oakland, CA 94612-2530

Dear Mr. Donnelly and Mr. Schuchat:

**Final Report—Point Reyes National Seashore Association, Propositions 40 and 50 Grant Audits**

The Department of Finance, Office of State Audits and Evaluations, has completed its audits of the Point Reyes National Seashore Association's (Association) grant WCB 8021BT issued by the Wildlife Conservation Board under Proposition 40, and grant SCC 07-061 issued by the California State Coastal Conservancy under Proposition 50.

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

Sincerely,

Original signed by:

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

Enclosure

cc: Ms. Cynthia Alameda, Budget Officer, Wildlife Conservation Board  
Ms. Nadine Peterson, Senior Deputy Executive Officer, State Coastal Conservancy  
Ms. Mary Small, Deputy Executive Officer, State Coastal Conservancy  
Ms. Regine Serrano, Chief of Administrative Services, State Coastal Conservancy  
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, Natural Resources Agency  
Mr. Bryan Cash, Deputy Assistant Secretary, Natural Resources Agency  
Ms. Julie Alvis, Deputy Assistant Secretary, Natural Resources Agency  
Ms. Deb Callahan, Executive Director, Point Reyes National Seashore Association  
Mr. Paul Schoos, Business Manager, Point Reyes National Seashore Association

# AUDIT REPORT

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## Point Reyes National Seashore Association Propositions 40 and 50 Bond Programs Grant Agreements SCC 07-061 and WCB 8021 BT



Point Reyes National Park

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

## **MEMBERS OF THE TEAM**

Diana Antony  
Manager

Lisa Negri  
Supervisor

Staff  
Marc Dermenjian

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

You can contact our office at:

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300 Capitol Mall, Suite 801  
Sacramento, CA 95814  
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# BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

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## BACKGROUND

California voters approved the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40), and the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) for \$2.6 billion and \$3.44 billion, respectively. The bond proceeds finance a variety of resource programs.

The Point Reyes National Seashore Association (Association) is an independent nonprofit organization. Founded in 1964, the Association works in partnership with the National Park Service to preserve and enhance the natural, cultural, and recreational resources of Point Reyes National Seashore.<sup>1</sup>

The Association received grants from the Wildlife Conservation Board (Board) and the State Coastal Conservancy (Conservancy) for the Giacomini Wetlands Restoration Project, which will restore land formerly used for a dairy operation to its natural state as a tidal wetland area. The grants partially funded the restoration project which totaled over \$6 million and received other funding from private and federal sources.

## 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>	<u>Award</u>
WCB 8021BT	August 28, 2008 through August 28, 2012	\$420,000
SCC 07-061	January 25, 2008 through March 30, 2011 <sup>2</sup>	\$572,868

The audit objectives were to determine whether the Association'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 Association's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. The Board, Conservancy, 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:

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<sup>1</sup> Source: <http://www.ptreyes.org/aboutus/index.shtml>

<sup>2</sup> An interim audit was conducted on grant SCC 07-061, as the grant term ends in March 2015.

- 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 Association's accounting records, vendor invoices, 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 existence.
- Evaluated whether a sample of grant deliverables required by the grant agreements 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 audit procedures performed, the grant expenditures claimed are in compliance with the requirements of the grant agreements. No observations or questioned costs were identified. The Schedules of Claimed Amounts are presented in Table 1.

**Table 1: Schedules of Claimed Amounts**

<b>Grant Agreement WCB 8021 BT</b>	
<b>Category</b>	<b>Claimed*</b>
Marshplain Enhancement and New Channel	\$119,190
South Levee Reduction	65,300
Floodplain Terrace	126,950
Bank Restoration	91,320
Rock Off Haul	15,600
<b>Total Expenditures</b>	<b>\$418,360</b>

\* Grant award was \$420,000; however, grantee claimed \$418,360.

<b>Grant Agreement SCC 07-061</b>	
<b>Category</b>	<b>Claimed</b>
Grant Management	\$ 19,500
Construction and Contract Services	404,828
Revegetation, Invasives Removal	85,812
Other	185
Personnel	15,000
<b>Total Expenditures</b>	<b>\$ 525,325</b>