



Transmitted via e-mail

September 30, 2016

Mr. Samuel Schuchat, Executive Officer
State Coastal Conservancy
1330 Broadway, 13th Floor
Oakland, CA 94612-2530

Dear Mr. Schuchat:

Final Report—Monterey Peninsula Regional Park District, Proposition 84 Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the Monterey Peninsula Regional Park District's (District) grant 12-056, issued by the State Coastal Conservancy.

The enclosed report is for your information and use. Because there were no audit findings 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 District. If you have any questions regarding this report, please contact Susan Botkin, Manager, or Fabiola Torres, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

Jennifer Whitaker, Chief
Office of State Audits and Evaluations

Enclosure

cc: Ms. Mary Small, Chief Deputy Executive Officer, State Coastal Conservancy
Ms. Regine Serrano, Chief of Administrative Services, State Coastal Conservancy
Ms. Amy Hutzler, Deputy Executive Officer, State Coastal Conservancy
Mr. Rafael Payan, PhD, General Manager, Monterey Peninsula Regional Park District
Mr. Kelly Sorenson, President, Board of Directors, Monterey Peninsula Regional Park District
Mr. Shane Anderson, Secretary, Board of Directors, Monterey Peninsula Regional Park District
Ms. Katie Pofahl, Vice President, Board of Directors, Monterey Peninsula Regional Park District
Ms. Kathleen Lee, Director, Board of Directors, Monterey Peninsula Regional Park District
Mr. John Dalessio, Director, Board of Directors, Monterey Peninsula Regional Park District
Mr. Tim Jensen, Planning and Conservation Manager, Monterey Peninsula Regional Park District
Ms. Kelly McCullough, Finance Manager, Monterey Peninsula Regional Park District
Ms. Julie Alvis, Deputy Assistant Secretary, California Natural Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, California Natural Resources Agency

Monterey Peninsula Regional Park District
Proposition 84 Bond Program
Grant Agreement 12-056

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

MEMBERS OF THE TEAM

Susan Botkin, CGFM
Manager

Fabiola Torres
Supervisor

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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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Office of State Audits and Evaluations
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(916) 322-2985

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 natural resource programs.

The State Coastal Conservancy (Conservancy), pursuant to Division 21 of the California Public Resources Code, is authorized to identify and implement a comprehensive system of public access to and along the shoreline, including acquisition of necessary rights-of-way, installation of appropriate recreational support facilities, and provision of management and operation funding. Conservancy has the principal role in ensuring that interests in property that are required and recorded pursuant to Division 20 of the Public Resources Code for approved development to occur, are accepted and opened to the public.

Conservancy awarded a \$1 million grant to the Monterey Peninsula Regional Park District (District) to acquire real property known as the Whisler-Wilson Ranch, located in the County of Monterey, for open space protection and public access. The District acquires and maintains open space within the District's boundaries, which include the seven incorporated cities on the Monterey Peninsula, Carmel Valley, Pebble Beach and the Big Sur Coast, for preservation and use, working with partners and the community, for public benefit, enjoyment and environmental protection.¹

SCOPE

In accordance with the Department of Finance's bond oversight responsibilities, we audited grant agreement 12-056, for the period December 6, 2012 through April 25, 2015.

The audit objectives were to determine whether the District'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. Further, no assessment was performed on the reasonableness of the land acquisition costs or the conservation value of acquired land or projects completed.

The District management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. Conservancy and the California Natural Resources Agency are responsible for the state-level administration of the bond program.

¹ Excerpts from the Monterey Peninsula Regional Park District website. www.mprpd.org

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:

- Examined the grant files, the grant agreement, and applicable policies and procedures.
- Reviewed the grantee's accounting records.
- Determined whether the real property acquisition was allowable, grant-related, incurred within the grant period, adequately supported, and properly recorded.
- Evaluated whether other revenue sources were used to acquire the real property under the grant agreement.
- Evaluated whether a sample of "conditions precedent to acquisition and disbursement" and the land acquisition were completed by reviewing supporting documentation such as appraisal reports, grant deeds, final settlement statements, monitoring plan, and other relevant documentation submitted by the District.

In conducting our audit, we obtained an understanding of the District's internal controls, including any information systems controls that we considered significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal control that were identified during our audit and determined to be significant within the context of our audit objectives are included in this report.

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

Based on the procedures performed, the \$1 million in grant funds expended to acquire the real property known as the Whisler-Wilson Ranch complied with the grant agreement requirements. Additionally, the grant deliverables were completed as specified in the grant agreement.