



Transmitted via e-mail

July 22, 2014

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

Dear Mr. Laird:

Final Report—Sacramento Housing and Redevelopment Agency, Proposition 40 Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its grant audit of the Sacramento Housing and Redevelopment Agency's (SHRA) grant 08-C4-58 issued by the California Cultural Historical Endowment under Proposition 40.

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 SHRA. If you have any questions regarding this report, please contact Cheryl McCormick, Assistant Chief, or Alma Ramirez, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

Richard R. Sierra, 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. Tona Paz, Fiscal Bond Act Analyst, Bond Administrative Office, California State Library
Mr. Victor Pong, Fiscal Bond Act Analyst, Bond Administrative Office, California State Library
Ms. Mimi Morris, Executive Director, California Cultural and Historical Endowment
Ms. Diane Sousa, Project Manager, California Cultural and Historical Endowment
Ms. LaShelle Dozier, Executive Director, Sacramento Housing and Redevelopment Agency
Mr. Geoffrey Ross, Program Manager, Sacramento Housing and Redevelopment Agency
Ms. Sandra Piekarski, Senior Redevelopment Planner, Sacramento Housing and Redevelopment Agency

Sacramento Housing and Redevelopment Agency
Proposition 40 Bond Program
Grant Agreement 08-C4-58



Locke Boarding House Museum

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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BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

BACKGROUND

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

The Sacramento Housing and Redevelopment Agency (SHRA) was created under a Joint Powers Agency agreement on April 20, 1982 by the Sacramento City Council and the Sacramento County Board of Supervisors. SHRA brings together financial resources and staff expertise to revitalize lower income communities, create affordable housing opportunities, and serve our public housing residents. SHRA has implemented many community improvements over the years through collaboration with residents to plan and invest in a variety of neighborhood projects.¹ The California Cultural and Historical Endowment (CCHE) awarded SHRA a \$290,040 Proposition 40 grant to assist with the restoration of historic Locke's Board House.

In 2008 the Locke Boarding House, a national historic landmark, opened as a Visitor and Cultural Center to retain and interpret the rich history of Chinese immigrants in California and the Sacramento River Delta for future generations. The Locke Boarding House Historic Rehabilitation Project is part of a continuing collaborative effort between the California State Department of Parks and Recreation, the Sacramento County Board of Supervisors, SHRA, the Locke Management Association/Locke Foundation, residents and building owners, representatives of the Chinese community groups and historical preservation interests to preserve the town's legacy. Match funds were provided for the project through a Community Development Block Grant.

SCOPE

In accordance with the Department of Finance's bond oversight responsibilities, we audited grant agreement 08-C4-58 for the period October 1, 2008, through April 30, 2013.

The audit objectives were to determine whether the SHRA'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 SHRA management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. The CCHE and the California State Library are responsible for the state-level administration of the bond program.

¹ Information obtained from <http://www.shra.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:

- 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 SHRA's accounting records, vendor invoices, general ledger, and cancelled checks.
- Selected a sample of claimed expenditures and determined whether they 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 claimed for reimbursement under the grant agreement.
- Evaluated whether a sample of grant deliverables required by the grant agreement were met by conducting a site visit of the Locke Boarding House Museum property to verify existence.

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 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 completed as required. The Schedule of Claimed Amounts is presented below.

Schedule of Claimed Amounts

Grant Agreement 08-C4-58	
Task	Claimed²
Restroom and Parking Lot – Permits, Fees and Bid Package	\$ 3,815
Parking Lot Construction	161,617
Contingency	11,874
Water Tank, Pump and Shed	90,419
Total Grant Funds	267,725
Match Funds	314,985
Total Project Expenditures	\$ 582,710

² The CCHE awarded \$290,050; however, SHRA only claimed \$267,725.