
Audit Report

Snug Harbor Cultural Center

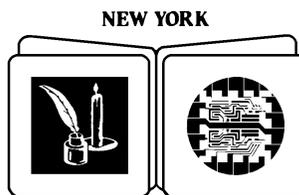
For the Period

July 1, 1996 through June 30, 1997

EC-1297-3

March 26, 1998

The University of the State of New York
THE STATE EDUCATION DEPARTMENT
Office of Audit Services
Albany, New York 12234



THE STATE OF LEARNING

March 26, 1998

Mr. David Kleiser
President and Chief Operating Officer
Snug Harbor Cultural Center
1000 Richmond Terrace
Staten Island, New York 10301

Report Number: EC-1297-3

Dear Mr. Kleiser:

We have performed a review of the legislative grant expenses and accomplishments reported by Snug Harbor Cultural Center (Center) to the State Education Department (Department). This letter represents a report on the results of the review.

The Center, a National Landmark District and an Urban Cultural Park, offers visual and performing arts, parklands, botanical treasures, a children's museum, and other cultural activities. The Center includes 83 acres of parkland, 4 performance spaces, 4 art galleries, 50 artist studios, 3 assembly halls and 5 residential cottages. The Center expended \$4.0 million (\$2.5 million in operating expenses and \$1.5 million in capital expenses) during the 1997 fiscal year in carrying out its activities. The New York State Legislature appropriated a \$220,000 grant for the Center's operating expenses. The Center entered into a contract with the Department specifying the funds would be used to help defray the Center's maintenance and repair costs.

The purpose of the review was: to verify entitlement to the grant funds received by the Center; to verify the accuracy and propriety of the financial information reported to the Department; and to determine if the activities and goals specified in the contract were accomplished. We reviewed practices, records and documentation supporting the Final Expenditure Report that the Center submitted covering the period April 1, 1996 through June 30, 1997. The review focused on the \$220,000 in reported grant expenses and the accomplishments of the grants, and did not assess the Center's overall operations or the adequacy of internal

controls.

The review determined that the Center is entitled to the full \$220,000 it received (see Exhibit A). Grant funds were used to defray the costs of maintaining the Center's buildings and grounds. The review also determined the financial information reported to the Department was accurate and the Center accomplished the activities specified in the contract.

The Center did not provide a formal written response to the report. However, Center officials agreed with the conclusions in the report. The report will be used by the Department's Bureau of Fiscal Management and the Office of Cultural Education in reviewing and approving contracts and payments for any subsequent legislative grants. No further action is recommended.

I appreciate the cooperation and courtesies extended to our staff during this review.

Sincerely,

Daniel Tworek
Director

Enclosure

cc: Richard Cate
Thomas Sheldon
Michael Carey
Carole Huxley
Charles Foster (DOB)
Robert Lindholm (OSC)

bcc: Michael DiVirgilio
Delbert Browne
Joseph Meany

Exhibit A

**Snug Harbor Cultural Center
Legislative Grant Expenses
Contract Number C-9460250
April 1, 1996 – June 30, 1997**

Category	Expenses		
	Claimed	Questioned	Approved
Non-Professional Salaries	\$147,130		\$147,130
Fringe Benefits	31,220		31,220
Purchased Services	41,650		41,650
Total	\$220,000	\$0	\$220,000