



COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER

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ACC | **AUDITOR**
CONTROLLER
COUNTY OF RIVERSIDE

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Wednesday, June 24, 2015

Honorable Harold W. Hopp
Presiding Judge
Superior Court of California, County of Riverside
4050 Main Street
Riverside, CA 92501

Reference: Response to 2014-2015 Grand Jury Report: Edward-Dean Museum of Decorative Arts.

Dear Judge Hopp:

Pursuant to California Penal Code Section 933 et seq., please find enclosed the response of the Riverside County Auditor-Controller's Office to the above entitled Grand Jury Report within the designated 90-day period.

The Riverside County Auditor-Controller's Office is only responding to recommendation 13. Request for responses on all other findings and recommendations should be addressed to the respective department managing the Edward-Dean Museum. As it relates to recommendation 13 of the above reference Grand Jury report, the Auditor Controller's Office does not concur with Grand Jury's recommendation 13 regarding the Museum's Finances.

Respectfully,

Paul Angulo, CPA, CGMA, MA
Riverside County Auditor-Controller

Cc: Riverside Grand Jury
Riverside County Clerk-Recorder

Finding 13:
Finances

EDMDA has projected expenses budget for fiscal year 2014-2015 of \$338,000 and a projected income of only \$262,000 (with \$104,651 of that coming from EDA to subsidize the operation). EDMDA revenue is derived from museum admissions, facility rentals, especial grants, a few special events that provide income from parking and admission fees, commissions from gift shop consignment sales, and support from Friends of the Museum. The result is a \$76,000 deficit.

Recommendation 13:

To ensure viability and resolve potential deficits, the County Auditor-Controller shall do a comprehensive cost analysis of the operation of EDMDA.

Response to Recommendation:

Respondent does not agree with recommendation 13.

Budgetary deficits relating to the Edward Dean Museum of Decorative Arts (EDMDA) are the responsibility of the museum's management and Economic Development Agency (EDA) to whom they report, not the Riverside County Auditor-Controller's Office. We encourage its management to analyze its cash flows and develop a workable plan to balance revenues and expenditures.