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**NEWS RELEASE**

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FOR RELEASE January 19, 2010

Auditor of State David A. Vaudt today released a report on a review of the funding for construction of the Lewis and Clark Interpretive Center (Center) at Lewis and Clark State Park in Monona County. The report covers the period February 25, 1999 through December 31, 2008. The review was requested by the Department of Natural Resources (DNR) based on concerns about the fundraising activities of Friends of Discovery (Friends), an organization which provides volunteer and financial support to the Park. Friends also played a significant role in obtaining funding for construction of the Center.

Construction of the Center was a joint project between the DNR, Monona County and Friends. The Center is to provide a historical presentation of Lewis and Clark's journey through Monona County and house replicas of the keel boats used in their journey. In accordance with an agreement established between the parties, DNR provided the land for the Center and some funding for construction. Monona County provided certain administrative services, including letting of the bids for construction of the Center and, ultimately, acting as a fiscal agent. It was the responsibility of Friends and the fundraising organization Friends contracted with, Community Services Group (CSG), to raise the remaining funds needed for construction and the educational displays.

Between February 2000 and September 2004, Friends paid \$390,349.69 to CSG for monthly service fees, commissions and miscellaneous expenses. Vaudt reported Friends did not have controls in place to adequately monitor the amounts billed by and paid to CSG.

Vaudt also reported adequate documentation, such as pledge cards and receipts for pledges received, was not consistently maintained. Friends lacked controls to track pledges and the actual amount received from the pledges and did not require CSG to provide an accounting of the pledges received or support for the amount billed for its commissions or monthly service fees. Vaudt reported the commissions CSG billed to Friends were based on pledges made rather than donations actually received by Friends, as required by the contract.

Vaudt reported the review did not identify any concerns related to construction costs paid or other financial transactions processed by DNR or Monona County. DNR provided and maintained detailed records, including all invoices submitted from the construction companies to support the payments for construction of the Center. However, Vaudt reported \$230,700.00 had been improperly paid to CSG by Friends and \$19,600.00 of payments to CSG by Friends were unsupported.

The improper payments include fund raising expenses of \$218,000.00 and \$12,700.00 paid to CSG from National Park Service and Department of Cultural Affairs grants, respectively, although the grants were to be used for construction of and educational materials for the Center. The improper payments include fund raising expenses which were based, in part, on grants which were not received by Friends or were received without any involvement by CSG. Specifically, CSG billed for and received \$67,500.00 of commissions for a grant awarded by the Vision Iowa Board for a Community Attraction and Tourism (CAT) grant which expired before any funds were received by Friends and a \$9,500.00 commission for match funds related to the CAT grant which were never received by Friends. The \$218,000.00 also includes \$42,647.15 of commissions CSG billed for and received for a grant DNR obtained from the Department of Transportation.

Vaudt reported the Center was not completed because of a shortfall in the funds raised by Friends. As a result, the contractors sued Monona County, Friends and DNR for payment of overdue construction bills. The lawsuit was settled when DNR and Monona County agreed to pay the past due bills and complete construction of the outside of the Center. Unspent grant funds, \$270,000.00 of Resource Enhancement and Protection Fund (REAP) monies from DNR and \$400,000.00 of loan proceeds obtained by Monona County were used to settle the lawsuit. The outside of the Center was completed in 2006. The interior is to be completed once DNR has secured additional funding.

Copies of the report have been filed with the Department of Natural Resources, the Monona County Board of Supervisors, the National Park Service and the Department of Cultural Affairs. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/index.html>.

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**REPORT ON REVIEW OF THE  
DEPARTMENT OF NATURAL RESOURCES  
LEWIS AND CLARK INTERPRETIVE CENTER**

**FOR THE PERIOD  
FEBRUARY 25, 1999 THROUGH DECEMBER 31, 2008**

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Auditor of State's Report

To the Members of the Natural Resource Commission  
and the Director of the Department of Natural Resources:

In accordance with Chapter 11 of the *Code of Iowa*, we have conducted a review of the funding for construction of the Lewis and Clark Interpretive Center (Center). The review was requested by the Department of Natural Resources (DNR) based on concerns about the fundraising activities of Friends of Discovery (Friends) which was involved in construction of the Center. As a result, we conducted a review of the funding for construction of the Center.

We have applied certain tests and procedures to selected financial transactions of the Center, Friends, Monona County and DNR for the period February 25, 1999 through December 31, 2008. Based on a review of relevant information and discussions with staff from DNR, Monona County (County) and Friends, we performed the following procedures:

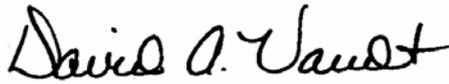
- (1) We reviewed the County's annual financial audits to identify any issues or concerns related to construction of the Center.
- (2) Evaluated internal controls over the receipt and disbursement of funds for the Center to determine whether adequate policies and procedures were in place and operating effectively.
- (3) Examined activity on the bank statements for Friends' accounts to identify any unusual activity.
- (4) Examined deposit records and related documents for propriety and compared deposits to the pledges and grants received for the Center.
- (5) Examined checks and supporting documentation related to various grants received by Friends in order to determine if the proceeds were used in accordance with the terms of the grants. We also examined redeemed checks from Friends' bank accounts to determine if the payee and endorsement were proper.
- (6) Evaluated payments made to Community Services Group (CSG) for compliance with the terms of the contract between Friends and CSG.
- (7) Reconciled deposits made in conjunction with the fund raising campaign to pledge records received to determine if pledges were received and properly deposited.
- (8) Examined construction billings and supporting documentation to determine if payments to the contractors were adequately supported and reviewed by representatives of DNR and Monona County.

Based on these procedures, we did not identify any misuse of State grant funds received by DNR for the project. The funds received and expended by DNR were supported by adequate documentation and used in accordance with the terms of the grants.

However, we identified a number of concerns with payments to CSG, a vendor hired by Friends to facilitate fundraising efforts for construction of the Center. The improper and unsupported payments are summarized in **Exhibits A** through **C** and include commissions paid on grants not procured by CSG or received by Friends, commissions paid on pledges made rather than actual donations collected and the use of grant funds which did not comply with requirements established by the grants. The improper and unsupported payments identified totaled \$230,700.00 and \$19,600.00, respectively.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of Friends of Discovery, other matters might have come to our attention that would have been reported to you.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of Monona County, the Department of Natural Resources, the Onawa Community Foundation and Friends of Discovery during the course of our review.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 17, 2009

Department of Natural Resources  
Lewis and Clark Interpretive Center

Investigative Summary

**Background Information**

Friends of Discovery (Friends) is a non-profit corporation made up of volunteers who share an interest in Lewis and Clark and their journey through Iowa. The volunteers provide educational opportunities and rides on replicas of keel boats used by Lewis and Clark, during the summer months at Lewis and Clark State Park located in Monona County. The State Park is maintained by the Department of Natural Resources (DNR). Although Friends provides support for the Park's operations, they are not formally associated with the DNR or Monona County.

The primary sources of funds used by Friends to help support the Park are donations, charges for educational programs and the sale of Lewis and Clark memorabilia at Lewis and Clark State Park.

In 1998, Friends approached representatives of DNR with a proposal to construct the Lewis and Clark Interpretive Center (Center) at the Park. The Center was to provide a setting to educate the public on Lewis and Clark, their journey through Iowa and to house replicas of keel boats used by Lewis and Clark during their journey. DNR officials approved construction of the Center and agreed to provide land on which it could be built. According to the original timeline, the building was to be completed early in the summer of 2004 in time for the 200<sup>th</sup> anniversary of Lewis and Clark's journey.

**Table 1** summarizes all funding received for construction of the Center, including funds related to a final settlement with the contractors hired to construct the Center. As illustrated by the **Table**, funds were received from the Iowa Department of Transportation (DOT), the State Historical Society of Iowa, the Iowa Department of Cultural Affairs, the National Park Service and the Community Services Group (CSG). Each of the funding sources and how the related funds were expended is discussed in detail in the following sections of this report.

**Table 1**

<b>Type of Funding (Provider)</b>	<b>Amount Received</b>	<b>Awarded to and Administered by</b>
Transportation Enhancement grant #1 (DOT)	\$ 375,000.00	DNR
Historical Site Preservation grant (State Historical Society of Iowa)	100,000.00	DNR
Transportation Enhancement grant #2 (DOT)	475,000.00	DNR
Iowa Community Cultural grant (Cultural Affairs)	12,700.00	Friends
Challenge Cost Share grants (National Park Service)	308,000.00	Friends
Dr. Darcy Dill – Loan (CSG)	100,000.00	Friends
Pledges, Raffle (Friends/CSG)	133,280.89	Friends
Interest received	1,656.49	Friends
Subtotal original sources	1,505,637.38	
Resource Enhancement and Protection (REAP) Fund	270,000.00	DNR
Monona County – Loan	400,000.00	Monona County
Total	<u>\$ 2,175,637.38</u>	

Because Friends had never taken on such a large fundraising project, it entered into a contract with CSG to facilitate its efforts. Dan Corcoran, the owner of CSG, was to provide the expertise necessary to help raise funds for the project. In accordance with the contract, CSG was to “coordinate, plan, develop and implement the capital campaign for Friends including proposals for grant money”. For its services, CSG was to be paid a \$3,000.00 monthly fee and \$7.50 for each \$100.00 (7.5%) received by Friends or other entities for the campaign.

Friends also asked the Onawa Community Foundation (Foundation) to act as the fiscal agent for the fundraising campaign. The Foundation agreed and signed an agreement with Friends to be the fiscal agent for the project. In accordance with the agreement, Friends was to deposit all collections from the fundraising campaign with the Foundation, which in turn was to track the funds in a separate ledger.

Disbursements were to be made by check upon approval of Friends. In accordance with the agreement, the Foundation had no authority to expend funds without the approval of the President of Friends. In addition, all contracts were to be signed and approved by the Board and President of Friends. The agreement allowed the Foundation to collect a small monthly maintenance fee for acting as the fiscal agent.

During the fundraising campaign and on behalf of Friends, CSG applied for and was awarded a \$900,000.00 Community Attraction and Tourism Grant (CAT grant) by the Vision Iowa Board. Because the CAT grant requires a city or county be the recipient of the grant, Monona County officials agreed to play a role in financing the construction project and administer the CAT grant funds as required by the grant terms. The CAT grant requires the recipient to provide proof of matching funds for the difference between the project’s total costs and the amount of the CAT grant awarded. In addition, the terms of the grant required support showing all additional funds needed for the project had been received.

When Monona County agreed to participate in the project, a 28E agreement was established between Monona County, DNR and Friends. In accordance with the agreement, Monona County was to act as the fiscal agent for construction of the Center and DNR, along with Friends, was to provide funding for the payment of all bills related to the Center’s construction.

In accordance with the 28E agreement, Monona County was to receive all bills related to the Center’s construction once reviewed and approved by Friends. Monona County officials were to review the bills which were to be paid from the proceeds of the CAT grant or through a request submitted to DNR for payment from the grants DNR received for the project. Bills not related to the construction were to be submitted to Friends, which would pay the bills from funds raised and deposited with its fiscal agent, the Foundation.

The Center’s construction was halted in mid-2004 because Friends was unable to raise the funds needed to pay the accumulating construction costs. In addition, the CAT grant proceeds were not received and the grant was allowed to expire. As previously stated, the CAT grant required Friends to provide proof it had raised the funds needed for the project’s total cost, net of the CAT grant funds. Since neither Friends nor CSG, which worked with Friends to secure the CAT grant, were able to demonstrate the necessary funds had been secured, the Vision Iowa Board allowed the grant to expire on May 5, 2005.

At the time construction was halted, contractors were owed over \$1 million for the work done on the Center. The amounts owed included:

- \$567,860.00 to the general contractor,
- \$61,756.00 to the electrical contractor,
- \$88,852.00 for excavating services,

- \$136,187.00 for plumbing services and
- \$115,193.00 for heating and air conditioning equipment and services.

Because Friends did not have the funds necessary to pay the contractors the amounts owed, the general contractor and other contractors filed a lawsuit naming Friends and Monona County as defendants. After negotiations with the contractors, Monona County and DNR entered into an agreement to settle the outstanding bills with the construction firms in exchange for being dismissed from any legal action (present and future) regarding the Center.

In accordance with the terms of the agreement, DNR and DOT released the remaining balance of \$468,628.74 from the 2<sup>nd</sup> DOT grant in May 2005 and DNR provided an additional \$270,000.00 in REAP funds to Monona County which was charged with paying off the outstanding construction bills. In addition to the funds provided by DNR and DOT, the County borrowed \$400,000.00. Once the funding had been secured, Monona County verified the outstanding invoices submitted by the construction companies and disbursed the funds. As part of the settlement, the construction companies agreed to close up the building to prevent any further damage during the winter months. Currently, DNR and Monona County are applying for additional funding from DOT and other sources to finish the interior of the building and complete the project.

Because Friends had been unable to provide proof of matching funds required for the CAT grant and because construction costs had not been paid in a timely manner, DNR officials became concerned about the propriety of the project's financial transactions. As a result, DNR requested the Office of Auditor of State perform a review of the transactions. We have performed the procedures detailed in the Auditor of State's report for the period February 25, 1999 through December 31, 2008.

### **Detailed Findings**

**Department of Transportation** - As shown in **Table 1**, DNR received 2 Transportation Enhancement grants totaling \$850,000.00 from the Department of Transportation (DOT). The first portion was received on October 29, 2002 in the amount of \$375,000.00. The remaining \$475,000.00 was received on January 29, 2004. The proceeds of these grants were to be used solely for construction of the Center.

In accordance with the grant agreements, DNR administered the grants on behalf of Friends. Prior to Monona County entering into the 28E agreement, DNR received all bills for construction of the Center. DNR asked its local inspectors to inspect the progress on the building to determine if the request for reimbursement was supported by actual construction. Each time a bill was received, DNR officials were able to satisfy themselves regarding the validity of the claims submitted. Once DNR received the appropriate documentation, a warrant was issued to the contractor.

When Monona County became involved as part of the CAT grant, it was decided all claims would be submitted to Monona County. Monona County representatives then forwarded the claims to DNR. DNR issued the warrant to Monona County which, in turn, issued payments to the various contractors.

At the time construction was halted, all of the first \$375,000.00 DOT grant received by DNR had been expended. In addition, \$6,371.36 of the \$475,000.00 DOT grant had been expended for construction of the building in accordance with the grant terms. The remaining funds had not been released due to concerns over Friends' ability to administer and raise the remaining funds needed to complete the project.

As stated previously, the remaining funds were eventually released and used to pay the contractors for the outstanding construction bills to settle the lawsuit. During our review of the expenditures and controls over the funds provided and expended by DNR for the Center,

we did not identify any problems or concerns with DNR’s administration of the DOT grant funds. We determined all funds awarded under the 2 DOT grants were properly used for construction of the Center and were spent in accordance with the terms of the grant agreements.

**State Historical Society of Iowa - Table 1** also shows DNR received a \$100,000.00 grant from the State Historical Society. The grant was awarded on December 15, 2001. In accordance with the terms of the grant, the funds were to be used for construction of the Center. At the time construction was halted, the full amount received by DNR had been expended for construction of the Center.

Our review found all funds awarded to DNR by the State Historical Society were properly used for construction of the Center and were used in accordance with the terms of the grant.

**National Park Service** - During the course of construction of the Center, CSG applied for and received 3 National Park Service (NPS) grants totaling \$308,000.00 from the Challenge Cost Share program on behalf of Friends. The grants are listed in **Table 2**.

**Table 2**

Date	Amount
06/21/02	\$ 100,000.00
03/19/03	100,000.00
04/29/04^	108,000.00
Total	\$ 308,000.00

^ - Amended amount. Originally, \$100,000.00 was awarded on 03/04/04.

**Appendix 1** includes a copy of the proposal submitted to NPS for the first grant received. The proposal was incorporated in the final grant agreement which established requirements for how the proceeds were to be used. As illustrated by the **Appendix**, the results or products to be derived from the grant included:

- script and storyline for interior exhibits,
- boat-viewing platform designed and built,
- historical research report presented in document form,
- inputs received from NPS, DNR, park friends, tribal organizations, historians and others,
- interactive interpretive exhibits installed in space provided in the completed visitor center incorporating existing interpretive features (boat models and replicas) and
- museum portion of exhibit space provided for artifacts, textiles, weapons and other collections related to Expedition travel.

The same items were included in the project description of the remaining 2 grants received by Friends from NPS. While a boat-viewing platform was built, it was not built by CSG. In addition, the remaining items, which should have been on display in the completed Visitor’s Center, were not provided prior to exhaustion of the NPS grant proceeds. As a result, the proceeds were not used in accordance with the terms of the grants.

The Challenge Cost Share program required a 50% match by Friends. We requested copies of the reports submitted to NPS showing how the match was provided. Friends was unable to provide reports or details on how the funds were expended or how the match was met.

According to the project completion report submitted to NPS, members of Friends donated 39,168 hours at an average rate of \$17.69 per hour, for a total of \$692,881.92. We requested supporting records for the hours and the rate used to claim the match. Friends was unable to provide any support for the hours or the rate claimed. As a result, we are unable to ensure the number of hours and the hourly rate were properly reported. The report was signed by Mr. Corcoran.

By reviewing the financial information provided by the Foundation, we were able to determine the \$308,000.00 of NPS grant funds was deposited in the Friends' account within the Foundation. We requested information from Friends and the Foundation regarding how the funds were expended. Neither Friends nor the Foundation maintained or provided any records on how the funds were expended. In addition, the grant proceeds were comingled with other sources of funding in the Friends' account within the Foundation. However, by reviewing all disbursements made from the Friends' account, we determined \$263,000.00, or approximately 85%, of the grant funds received from NPS were paid to CSG.

Of the \$263,000.00 paid to CSG, we confirmed \$45,000.00 was paid by CSG to Hartman Historical Services for exhibits for the Center. The balance of \$218,000.00 retained by CSG included a \$30,000.00 administrative fee although the CSG contract with Friends did not provide for an administrative fee. The remaining portion was used for monthly fees and commissions claimed by CSG.

Friends, Monona County and/or DNR were not precluded from applying for the NPS grants. Each organization would have been eligible to apply and may have received the grants without CSG's assistance. Had any of these entities applied for the grant, the \$218,000.00 paid to CSG could have been used for construction of the Center rather than paid as commissions and fees.

Because only \$45,000.00 of the \$263,000.00 paid to CSG was for purposes allowed by the grant, the remaining \$218,000.00 should not have been paid to CSG with NPS grant funds and is included in **Exhibit A** as an improper payment.

**Department of Cultural Affairs** - On August 5, 2002, Friends received a \$12,700.00 Iowa Community Cultural Grant from the Department of Cultural Affairs (DCA). The grant terms allowed 5% of the grant to be used for administration. The remaining funds were to be used for project construction or educational materials.

We obtained a copy of the report filed with DCA for the grant to Friends. According to the report, the \$12,700.00 was spent for "wages, salaries, benefits, etc. associated with the completed project." The report also included the statement "The grant created a part-time administrative assistant for the project who worked four hours per day and received wages of \$12,000 from the project. To date, this is the only job that has been created as a result of this grant." In addition, the report stated \$12,700.00 of cash match and \$12,700.00 of in-kind match were provided by Friends. The report was signed by Mr. Corcoran of CSG.

In November 2002, Mr. Corcoran submitted a billing statement to Friends on behalf of CSG for \$18,750.00. There was no support attached to the statement indicating how the funds were used by CSG. A copy of the statement is included in **Appendix 2**. As illustrated by the **Appendix**, the statement contains a handwritten notation \$12,700.00 was to be paid with the "State grant." This is the amount Friends received from DCA.

Also as illustrated by the **Appendix**, the statement is not mathematically correct. As a result, it appears only \$12,000.00 of the grant funds were used for the November invoice. CSG also submitted a billing statement dated January 1, 2003 which included a \$635.00 claim against the DCA grant. Based on our review of the ledger of Friends' financial transactions, it appears the remaining \$65.00 was also paid to CSG in a subsequent payment.

We determined, the payment to CSG in November 2002 did not include payment for any education materials. By reviewing the billing statements submitted, we determined the only non-administrative payments made to CSG by Friends included \$50,549.69 of reimbursements for payments to a vendor which provided educational items for the Center. Of the \$50,549.69, \$5,549.69 was included in a billing statement dated January 1, 2003 and the remaining \$45,000.00 was included in a billing statement dated June 23, 2003.

As previously indicated, the report signed by Mr. Corcoran and filed with DCA stated \$12,700.00 of cash match and \$12,700.00 of in-kind match were provided by Friends. Because all of the funding sources were comingled by Friends, we were unable to identify a specific cash match in Friends' records. In addition, we were unable to identify the in-kind match referred to in the report.

In addition, in accordance with the grant terms, only residents of Iowa may be paid with proceeds of the grant. According to letterhead obtained from CSG, the organization is located in Omaha, Nebraska. The grant also requires a 100% match, of which 50% must be cash and the remaining 50% may be in-kind. We requested support for the match from Friends, but we were not provided any supporting documentation.

Because CSG did not pay construction costs or purchase educational material on behalf of Friends, the proceeds of the grant were used for commission or monthly fees to CSG. This is not in accordance with the terms of the grant. DCA should recover the grant funds from Friends. The \$12,700.00 grant is included in **Exhibit A** as an improper payment.

**Community Attraction and Tourism** - As previously stated, during the course of its fundraising efforts, Friends was awarded a \$900,000.00 Community Attraction and Tourism Grant (CAT grant) by the Vision Iowa Board. The CAT grant required a city or county be the recipient of the grant. As a result, Monona County officials agreed to administer the CAT grant funds. The grant agreement also required the recipient provide proof of local funding for the difference between total project costs and the CAT grant award.

The grant agreement required Friends to provide proof the funds needed for the difference between total project costs and the CAT grant award had been secured or guaranteed. Friends was unable to demonstrate to the Vision Iowa Board it had the necessary funding in place. As a result, the Vision Iowa Board allowed the grant to expire on May 5, 2005.

**Friends of Discovery's Financial Transactions** - As previously stated, Friends hired CSG to facilitate the capital campaign to raise funds for construction of the Center. In total, Friends and CSG procured a total of \$555,637.38 in grants and donations for construction of the Center. **Table 3** shows the sources and uses of funds raised by Friends and CSG.

**Table 3**

<b>Source</b>	<b>% of Funds</b>	<b>Amount Received</b>	<b>Paid to CSG</b>	<b>Paid to Others</b>	<b>Unspent Funds</b>
Donations	19.3%	\$ 107,300.00	80,411.58	26,888.42	-
Loan (Dr. Darcy Dill)	18.0%	100,000.00	21,000.00	79,000.00	-
Friends of Discovery	4.7%	25,980.89	13,238.11	-	12,742.78
National Park Service	55.4%	308,000.00	263,000.00	45,000.00	-
Cultural Affairs	2.3%	12,700.00	12,700.00	-	-
Interest	0.3%	1,656.49	-	-	1,656.49
<b>Total</b>	<b>100.0%</b>	<b>\$ 555,637.38</b>	<b>390,349.69</b>	<b>150,888.42</b>	<b>14,399.27</b>

As shown by the **Table**, over 55% of the funds raised were from grants received from the NPS and were not donations or pledges procured by CSG. As previously discussed, the NPS grants were received by Friends and appear to have been paid to CSG. The next largest source of funds was donations. The donations were primarily from individuals and businesses in Monona County.

The **Table** also illustrates Friends received a \$100,000.00 loan from Dr. Darcy Dill. Proceeds of the loan were to be used for the Center. On September 27, 2004 a \$10,000.00 payment on the loan was issued to Dr. Dill. The only other payment made from the Friends' account for the loan was issued to Heidman Law firm on September 28, 2005. The payment was for the unspent funds remaining in the Friends' account and was a result of civil action taken against Friends for defaulting on the loan. Currently, Friends is still involved in a civil action related to the loan.

The **Table** includes \$25,980.89 of donations from Friends. Friends provided funding in the form of certificates of deposit, raffle and festival proceeds and transfers from other Friends' accounts used for activities not related to the Center.

We reviewed the expenditures made by the Foundation on behalf of Friends to determine if the funds received were used for construction of the Center as originally stated in discussions with staff of Monona County and members of Friends. We reviewed the ledger which summarized the financial activity to identify which funding sources were available at the time of the disbursements. **Table 3** also summarizes the source of funds used for the disbursements.

As illustrated by the **Table**, of the \$308,000.00 received from NPS, \$263,000.00 was paid directly to CSG. As stated previously, \$45,000.00 of this amount was paid to Hartman Historical Services for exhibits to be placed in the Center. As shown in the **Table**, an additional \$45,000.00 was paid directly to Hartman Historical Services with NPS grant funds by the Foundation on behalf of Friends. In addition, \$80,411.58, or approximately 75%, of the \$107,300.00 of donations received were paid to CSG.

**Table 4** summarizes the expenditures by vendor.

**Table 4**

Vendor	Description	% of Total	Amount
Community Service Group	Monthly service fees, commissions and miscellaneous expenses	72.1%	\$ 390,349.69
Hartman Historical Services	Exhibit design agreement	9.3%	50,156.13
Monona County	Reimbursement for construction costs	9.2%	50,000.00
Meyers, Carlisle, Leapley	Construction services	3.7%	20,000.00
Butch Bouvier	<i>No description on claim, Keel boat builder</i>	1.8%	10,000.00
Dr. Darcy Dill	Loan repayment	1.8%	10,000.00
Misc. Payments (Festival)	Festival fees	1.4%	7,380.00
Larson and Associates	<i>No description on claim</i>	0.4%	2,000.00
The Boat Farm	Down payment on motor	0.2%	1,000.00
Onawa Community Foundation	Maintenance fee	.1%	352.29
Total		100.0%	\$ 541,238.11

As illustrated by the **Table**, only the \$50,000.00 paid to Monona County and the \$20,000.00 paid to Meyer, Carlisle, Leapley were used for construction of the Center. The \$50,156.13 paid to Hartman Historical Services was for various educational displays for the Center and does not include amounts paid through CSG.

The \$390,349.69 paid to CSG was for monthly service fees, commissions and miscellaneous expenses. The commissions were billed to Friends on the basis of pledges made rather than collections on pledges procured by CSG. The payments represent over 70% of the total funding received by Friends. As previously stated, all of the proceeds from the grant from

DCA and a significant portion of the grant from NPS were paid to CSG. The payments to CSG are discussed in detail in the next section of this report.

As previously stated, the \$14,399.27 balance remaining after other expenditures were paid was remitted to the Heidman Law Firm as part of the lawsuit regarding the loan provided by Dr. Dill.

**Community Services Group (CSG)** - As previously stated, Friends entered into a contract with CSG of Omaha, Nebraska to help administer and raise funds for the Center. The terms of the contract provided CSG was to be paid a monthly fee of \$3,000.00 and a 7.5% commission for each \$100.00 raised by CSG and received by Friends. In addition, CSG was to be reimbursed for travel expenses related to the project. The original contract was for the period April 3, 2001 to September 3, 2002. On September 12, 2002, an amendment was signed extending the contract to April 1, 2004.

During our review of the CSG contract, we found neither CSG nor the owner, Mr. Corcoran, was registered as a fund raising organization or registered as a business in the State of Iowa. According to the web site for the Nebraska Secretary of State's office, where CSG, Inc. is registered, the business is considered inactive. According to the website, CSG was deactivated, effective April 16, 1996, for non-payment of taxes. There were no other records regarding CSG available on the web site at the time of our review.

Also during our review of the contract, we determined it included a broad description of the services which were to be provided to Friends. However, performance goals or measures were not specified to determine if services were performed in accordance with the contract. In addition, no specific reporting requirements were established.

We reviewed the payments made to CSG and/or Dan Corcoran under the contract with Friends. CSG and/or Dan Corcoran were paid a total of \$390,349.69 on behalf of Friends for fundraising and consulting services. **Table 5** summarizes the payments made. **Exhibit B** provides detailed information about each payment.

<b>Description per Billing Statement</b>	<b>Amount</b>
Monthly fee (original contract 04/03/01 - 09/03/02)	\$ 51,000.00
Monthly fee (extension 09/03/02 - 04/01/04)	57,000.00
Monthly fee for the period 05/03/04 - 09/30/04 (not covered by contract)	15,000.00
7.5% commission	155,200.00
Travel/Planning	10,400.00
Direct payments associated with DCA and NPS grants	42,000.00
Payments for remittance to Hartman Historical Services	50,549.69
Unknown - no description provided	9,200.00
Total	\$ 390,349.69

Of the \$390,349.69 paid to CSG, \$278,200.00 was for monthly fees and commissions. An additional \$10,400.00 was described as travel and planning expenses on the billing statements from CSG. As illustrated by the **Exhibit**, 4 billing statements included these costs and, in each instance, the cost was reported in an even \$100.00 increment. It would be very unusual for travel expenses to be incurred in even \$100.00 increments. As a result, this amount has been included in **Exhibit A** as unsupported disbursements.

As shown in **Table 5**, \$50,549.69 of the amount paid to CSG was for Hartman Historical Services according to the billing statements submitted to Friends. Hartman Historical Services is a vendor which was to provide exhibits for the Center. It is unclear why CSG would incur costs of this nature on behalf of Friends which would require reimbursement.

We observed a copy of the contract between Hartman Historical Services and Friends. The contract did not include any references to CSG. We contacted a representative of Hartman Historical Services and were able to confirm the vendor had received \$45,000.00 from CSG for work completed on exhibits for the Center. We are unable to determine how CSG spent the remaining \$5,549.69 which Friends paid CSG for "Hartman Historical Services." The \$5,549.69 is included in **Exhibit A** as part of the \$218,000.00 of improper payments from the NPS grants. The payment is listed as an improper disbursement because CSG did not remit the funds to Hartman Historical Services as reported on the billing statements. We determined the amount was paid from NPS grants because those were the only funds available to Friends at the time of the payment.

The \$42,000.00 identified as direct payments associated with DCA and NPS grants in **Table 5** includes \$12,000.00 of the grant from DCA which was previously discussed. It also includes \$30,000.00 of administrative fees from NPS discussed previously. A copy of the statement which included a notation of this grant is included in **Appendix 2**. As illustrated by the **Appendix**, the billing statement shows \$30,000.00 of administrative fees were due to CSG from the grant. However, additional documentation was not available to support the payment. These amounts have already been included in **Exhibit A**.

The remaining \$9,200.00 was not supported by any documentation. As a result, we are unable to determine what CSG was paid for. This amount is included in **Exhibit A** as unsupported disbursements.

By reviewing the contract, billing statements and payments to CSG, we identified the following concerns:

- Although the contract allowed for a \$3,000.00 monthly payment, CSG provided little detail showing what was done for the monthly charge. According to the contract, this was a flat monthly fee for services. The services were not specified in the contract.
- Friends' contract with CSG expired April 1, 2004. However, CSG continued to bill Friends its monthly service fee through September 2004, during which time Friends paid an additional \$15,000.00 of fees which were not included in a contract. The monthly service fees should not have been paid by Friends without a contract in place.

CSG stopped billing Friends at approximately the same time DNR voiced concerns regarding Friends' financial transactions. DNR and Monona County personnel we spoke with were unable to tell us if CSG continued to provide services to Friends after the contract expired. When we asked representatives of Friends, they were only able to tell us they received a bill for those months.

- The claims submitted by CSG did not always include support showing how the 7.5% commission was calculated and which pledges or grants were procured by CSG to support the commission amount billed.

In some cases, the billing statements submitted by CSG listed the pledges procured rather than the actual donations received by Friends. The terms of the contract state CSG's commission is to be paid for funds received by Friends. However, CSG billed Friends 7.5% commission on funds which were pledged rather than received. A number of the pledges were not fulfilled. However, based on information from some statements and information from Friends' ledger to determine when certain sources of funds were received, we were able to identify the collections and/or pledges for which

commissions were claimed by CSG. The calculation of the commission payments are detailed in **Exhibit C**.

In addition, not all billing statements correctly calculated the amount of the commission for the pledges procured.

- The largest commission billed by CSG (\$67,500.00) was for the \$900,000.00 CAT grant from Vision Iowa which expired before any funds were received by Friends. Because the \$67,500.00 was paid to CSG with proceeds from the NPS grant, it has already been included in **Exhibit A** as an improper payment.

As illustrated by **Exhibit C**, in addition to the commission claimed on the \$900,000.00 CAT grant, CSG claimed commission on \$126,666.67 of match funds for the grant. The commission totaled \$9,500.00. As previously stated, the grant expired and Friends did not receive any proceeds because Friends was unable to demonstrate the required matching funds had been procured.

Copies of the 2 CSG billing statements which include the commissions for the CAT grant are included in **Appendix 4**.

- CSG also received commissions totaling \$43,125.00 on the \$475,000.00 DOT grant. As illustrated by **Exhibit C**, the commission was spread over 5 claims. However, the 5 claims show a total of \$575,000.00 was received for the DOT grant rather than the \$475,000.00 actually received by DNR. Copies of 2 of the claims are included in **Appendix 4**. As illustrated by the **Appendix**, the statement from June 2003 claims \$7,500.00 of the "Last \$100,000 of \$475,000 DOT" even though the \$475,000.00 DOT grant was not received until January 29, 2004. In addition, the May 2004 statement shows \$15,000.00 for "7.5% of final \$200,000 DOT \$475,000 grant."

The grant was applied for by DNR in conjunction with CSG and likely would not have been awarded if DNR had not been involved in the application. In addition, because the \$375,000.00 DOT grant had already been procured by DNR at the time Friends established the contract with CSG, it was specifically excluded from the commissions CSG was allowed to claim. As a result, CSG should not have received any commission for the proceeds received from this grant.

Based on this information, CSG was not entitled to any of the \$43,125.00 commission paid for the second DOT grant. Because the \$43,125.00 was paid to CSG with proceeds from the NPS grant, it has already been included in **Exhibit A** as an improper payment.

- CSG also received commissions on \$146,500.00 of pledges. However, only \$107,300.00 was actually received by Friends. The commissions received for the \$146,500.00 of pledges totaled \$10,987.50. CSG should have received only \$8,047.50. Because the difference of \$2,940.00 was paid to CSG with proceeds from the NPS grant, it has already been included in **Exhibit A** as an improper payment.

As previously stated, the CAT grant was never received and the DOT grant proceeds were properly spent on construction costs. As a result, the commissions claimed by CSG for these grants were paid from other sources. As previously stated, the monthly fees and commissions paid to CSG were paid from the NPS grants and donations.

Based on these factors, it does not appear it was in the best interest of the project for Friends to procure the services of CSG. The amounts paid to CSG were improperly calculated, appear excessive and did not further the progress of the project. In addition, a significant amount of grant proceeds and donations which should have been used for the project were disbursed to CSG.

CSG needed to raise at least \$3,225.00 per month for Friends to pay the \$3,000.00 monthly fee plus the 7.5% commission fee. On an annual basis, this would have amounted to \$38,700.00. Because the contract plus the extension with CSG ran for 3 years, the minimum amount required to have been raised by CSG over this period to ensure funds available to pay CSG totals \$116,100.00. This amount would have covered only the amounts due to CSG and would not have provided any funds for construction.

The construction costs were estimated to be approximately \$3.25 million for the project. Of this amount, approximately \$1.0 million was to be paid with proceeds from DOT grants and other sources not administered by Friends. As a result, when an additional 7.5% commission is added to the remaining \$2.25 million of construction costs, CSG would have needed to raise an additional \$168,750.00 for commissions for a total of approximately \$2.4 million.

However, CSG raised a total of only \$107,300.00 in donations and \$308,000.00 of NPS grants for Friends. The grants were required to be used only for construction costs and educational materials for the Center. The costs listed above do not include any costs for educational materials.

If proper project planning and an appropriate review had been performed on the proposed contract with CSG, it would have been clear the contract did not make fiscal sense for Friends, but was very beneficial to CSG.

When the restrictions placed on the proceeds from the NPS grants are considered, Friends did not have enough cash on hand to pay both CSG and the construction contractors. Because Friends authorized payments to CSG, the contractors' bills remained unpaid. A number of the billings submitted to Friends by CSG arrived almost immediately after a large grant or other proceeds were deposited to Friends' account held by the Foundation.

As previously stated, CSG was hired by Friends to facilitate the capital campaign for the Center's construction. We requested a list of all funds raised by CSG. Neither CSG nor Friends provided any detail regarding the amount of funds pledged and the actual donations received. We were informed by CSG all pledge cards had been submitted to the Onawa Community Foundation, which acted as the fiscal agent for Friends.

The Foundation provided us copies of all pledge cards it received from CSG. Using the pledge cards and the records provided by the Foundation, we determined \$194,100.00 had been pledged. In addition, we identified the \$100,000.00 loan from Dr. Dill which is listed in **Table 3**. Because the billing statements from CSG did not contain sufficient detail, we were unable to compare the information from the pledge cards to the pledges included on the billing statements for which commissions were billed to Friends. According to the ledgers provided by the Foundation, only \$107,300.00 of the pledges and the \$100,000.00 loan were received by Friends.

According to Board minutes from the May 6, 2003 Friends meeting, Dan Corcoran, owner of CSG, stated Friends had raised \$4.3 million dollars for construction of the Center. Based on financial information we reviewed, project revenue totaled only approximately \$1.5 million, which includes funds not raised solely by CSG. This amount includes grants to Monona County, DNR and Friends. There were no additional revenue sources for the project.

As previously stated, DNR and Monona County assumed administrative responsibility for completing the Center after Friends was unable to fulfill its financial obligations. Currently, DNR is pursuing grant funding from various sources to help complete and furnish the interior of the Interpretive Center and any exterior infrastructure which has not been completed to date.

## **Recommended Control Procedures**

As part of our review, we reviewed the procedures used by Friends, Monona County and DNR to maintain and account for the receipt and disbursement of funds. An important aspect of internal control is to establish procedures that provide accountability for assets susceptible to loss from error or fraud. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or fraud will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made.

- A. Fiduciary and Administrative Responsibilities of Friends – As a non-profit organization established to provide support to the Lewis and Clark State Park through volunteer efforts and financial support, the organization has a fiduciary responsibility to ensure any financial resources provided to the organization are used in an appropriate manner.

This responsibility extends to the commitment made by Friends to assist in the construction of the Interpretative Center. Friends received significant amounts of funding from various organizations in the form of grants and donations from individuals and local business. Each grantor and donor had an expectation the funds would be used for the purposes intended, which was primarily construction of the Interpretative Center rather than payments to a vendor to facilitate fundraising efforts.

In addition, Friends had certain administrative responsibilities to ensure all grant funds received were spent in accordance with the grant terms and provide the oversight necessary to ensure compliance. This responsibility cannot be totally delegated to a fiscal agent or a vendor engaged to facilitate project efforts. Friends did not have monitoring procedures in place to ensure grant funds were spent in accordance with the grant agreements. Grant proceeds frequently were provided to CSG at the vendor's direction. Friends did not perform any procedures to ensure the proceeds were used in accordance with grant terms. In addition, a significant amount of all funds received by Friends for construction of the Center, including donations received from local individuals and businesses, were provided to CSG.

Recommendation – Any future funding related to this project should be received and administered by DNR. Procedures should be developed to ensure the funding received is spent in accordance with the grant terms and/or the donors' expectations. These procedures include periodic monitoring of vendors, fiscal agents or others with whom a financial relationship exists, maintaining appropriate supporting documentation and establishing strong internal controls over all financial transactions. Strong internal controls include a reliable accounting system, review and approval of all disbursements prior to their issuance and periodic review of financial transactions by an independent party.

In addition, those reviewing and approving expenditures should carefully consider each disbursement. They should:

- have a complete understanding of the disbursement and why it is necessary,
- ensure the payment is appropriate and complies with any restrictions established by the funding source from which it is paid,
- ensure the amount of the disbursement is reasonable and
- review the supporting documentation, as appropriate.

B. Contract monitoring – Friends entered into a contract with CSG to provide services related to the development and administration of the capital campaign for the construction of the Center. The payment terms of the contract included:

- \$3,000.00 per month,
- Commission of \$7.50 per \$100.00 (7.5% commission rate) of donations received by Friends and
- Reimbursement of travel expenses.

Friends paid \$390,349.69 to CSG. The payments are summarized by type in **Table 5**, based on the description provided by CSG on its billings. By reviewing the billings, we determined:

- \$15,000.00 of the \$123,000.00 in monthly fees was paid for services claimed after the contract had expired on April 1, 2004,
- Certain commissions were based on pledges made, not donations received, and grants not procured by CSG,
- \$10,400.00 of travel expenditures were not supported by anything other than brief descriptions on the billing statements,
- CSG claimed \$50,549.69 was paid to Hartman Historical Services, but we determined Hartman Historical Services received only \$45,000.00 from CSG,
- The \$12,700.00 grant received from DCA was paid to CSG, but the statements did not identify any services related to the grant performed by CSG,
- A \$30,000.00 administrative fee was billed by CSG although the contract did not provide for an administrative fee. A notation on the statement on the billing instructed the payment was to be paid from NPS grants. It is unclear why an administrative fee would be paid to CSG.
- Because the purpose of \$9,200.00 of payments was not described on the billing statements, we are unable to determine the propriety of the payments.

Based on our review of the billing statements from CSG, we determined Friends did not review the billing statements or adequately monitor the contract with CSG to determine if the services contracted for were provided and the amounts claimed by CSG were supported by adequate documentation.

In addition, Friends paid CSG for services beyond the scope the contract. Billing statements show Friends paid CSG for services provided by Hartman Historical Services which is not directly related to the capital campaign.

Friends also did not perform any reconciliations to determine if the amount claimed as commission were supported by actual donations received. Had it performed the reconciliation, it would have determined the commissions claimed were based on amounts pledged rather than donations actually received.

Recommendation – Friends should develop procedures which ensure supporting documentation for reimbursement of expenditures and periodic reports are adequately reviewed to ensure compliance with the terms of the contract. In addition, contracts established should include performance measures to hold the vendor accountable. Long-term or on-going contracts should also include provisions for periodic reporting.

C. Grant Administration – Friends received grants from DCA and NPS. According to requirements established by the grants, the proceeds were to be used for construction of the Center and the development of educational displays. In addition, the grant from DCA required a match. We determined Friends did not use the funds in accordance with the terms of the grants. Specifically, we identified:

- The terms of the grant from DCA allowed 5% of the funds to be used for administration and required the remaining funds to be used for construction and educational displays.

According to a report filed by CSG on behalf of Friends, \$12,000.00 of the grant funds were used to hire a part time assistant. Because the assistant's pay is considered an administrative cost, it should have been limited to 5% of the grant proceeds (\$635.00).

The report stated \$12,700.00 of cash match and \$12,700.00 of in-kind match were provided by Friends. Because all of the funding sources were comingled by Friends, we were unable to identify a cash match in its records and we were unable to identify the in-kind match referred to in the report.

As a result, the \$12,700.00 is considered an improper payment.

- According to the application and agreement for the grants from the NPS, the proceeds were to be used for construction of the Center or acquiring and developing displays for the Center.

We determined \$263,000.00 of the \$308,000.00 grant proceeds from NPS were paid to CSG. Of that amount, only \$45,000.00 was spent for allowable purposes. The remaining \$218,000.00 is an improper payment.

Recommendation – Friends should work with DCA and NPS to repay the improper payments and determine if the unsupported payments need to be repaid.

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## **Exhibits**

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Summary of Findings  
 For the period February 25, 1999 through December 31, 2008

<b>Description</b>	<b>Exhibit/Table/ Page Number</b>	<b>Amount</b>		
		<b>Improper</b>	<b>Unsupported</b>	<b>Total</b>
Community Services Group:				
Commission and fees charged against:				
National Park Service grant	<b>Page 9</b>	\$ 218,000.00	-	218,000.00
Department of Cultural Affairs grant	<b>Page 10</b>	12,700.00	-	12,700.00
Questionable travel	<b>Page 13</b>	-	10,400.00	10,400.00
Disbursements without descriptions	<b>Page 13</b>	-	9,200.00	9,200.00
Total		\$ 230,700.00	19,600.00	250,300.00

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Payments to Community Services Group  
For the period February 25, 1999 through December 31, 2008

<b>Billing Date</b>	<b>Check Number</b>	<b>Check Date</b>	<b>Check Amt</b>	<b>7.5% Commission</b>	<b>Monthly Fee</b>	<b>Travel/ Planning</b>
<i>No statement</i> <sup>^</sup>	582	02/04/00	\$ 4,000.00	-	-	-
<i>No statement</i> <sup>^</sup>	610	06/07/00	4,000.00	-	-	-
01/04/02	699	01/10/02	6,000.00	-	6,000.00	-
02/05/02	705	02/11/02	10,000.00	-	10,000.00	-
March 2002	711	03/25/02	10,000.00	-	10,000.00	-
April 2002	714	04/29/02	3,000.00	-	3,000.00	-
July 2002	737	08/01/02	42,452.50	23,452.50	19,000.00	-
August 2002	746 & 748	09/12/02	33,000.00	-	3,000.00	-
November 2002	762	11/18/02	18,750.00	750.00	6,000.00	-
November 2002	764	12/10/02	7,000.00	-	3,000.00	4,000.00
January 2003	771	01/07/03	21,047.19	8,362.50	3,000.00	3,500.00
February 2003	779	02/04/03	11,000.00	7,500.00	3,000.00	500.00
March 2003	788	03/19/03	10,500.00	7,500.00	3,000.00	-
04/15/03	795	04/16/03	6,600.00	-	3,000.00	2,400.00
05/20/03	803	05/20/03	3,000.00	-	3,000.00	-
06/23/03	815	06/23/03	100,000.00	52,000.00	3,000.00	-
09/10/03	835	09/12/03	6,000.00	-	6,000.00	-
10/13/03	844	10/22/03	3,000.00	-	3,000.00	-
<i>No statement</i> <sup>^</sup>	852	12/02/03	3,000.00	-	3,000.00	-
05/03/04	888	05/03/04	21,000.00	-	21,000.00	-
05/17/04	894	05/13/04	58,000.00	55,000.00	3,000.00	-
09/14/04	955	09/14/04	9,000.00	-	9,000.00	-
Total			<u>\$ 390,349.69</u>	<u>154,565.00</u>	<u>123,000.00</u>	<u>10,400.00</u>

\*\* - This was a payment to CSG, but the line item was Doug Hartman/Conceptual Design.

<sup>^</sup> - Statement was not available. Amount paid is per Friends' ledger.

<b>Hartman Historical Services</b>	<b>Administrative Fee/State Grant</b>	<b>Other</b>
-	-	4,000.00
-	-	4,000.00
-	-	-
-	-	-
-	-	-
-	-	-
-	30,000.00	-
-	12,000.00	-
-	-	-
5,549.69 **	635.00	-
-	-	-
-	-	-
-	-	1,200.00
-	-	-
45,000.00 **	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<b>50,549.69</b>	<b>42,635.00</b>	<b>9,200.00</b>

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Details of Commission Payments To CSG  
For the period February 25, 1999 through December 31, 2008

<b>Billing Date</b>	<b>Check Number</b>	<b>Check Date</b>	<b>7.5% Commission</b>	<b>Funding Source Upon Which</b>		
				<b>National Park Service Grants</b>	<b>Department of Cultural Affairs Grant</b>	<b>Pledged Donations</b>
July 2002	737	08/01/02	\$ 23,452.50	200,000.00	12,700.00	100,000.00
November 2002	762	11/18/02	750.00	-	-	10,000.00
January 2003	771	01/07/03	8,362.50	-	-	36,500.00
February 2003	779	02/04/03	7,500.00	-	-	-
March 2003	788	03/19/03	7,500.00	-	-	-
06/23/03	815	06/23/03	52,000.00	-	-	-
05/17/04	894	05/13/04	55,000.00	100,000.00	-	-
Total			<u>\$ 154,565.00</u>	<u>300,000.00</u>	<u>12,700.00</u>	<u>146,500.00</u>

**Commission was Based**

<b>Department of Transportation Grant</b>	<b>Community Attraction and Tourism Grant</b>	<b>Community Attraction and Tourism Grant Match</b>	<b>Total</b>
-	-	-	312,700.00
-	-	-	10,000.00
75,000.00	-	-	111,500.00
100,000.00	-	-	100,000.00
100,000.00	-	-	100,000.00
100,000.00	593,333.33	-	693,333.33
200,000.00	306,666.67	126,666.67	733,333.34
575,000.00	900,000.00	126,666.67	2,060,866.67

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Staff

This review was performed by:

Annette K. Campbell, CPA, Director  
James S. Cunningham, CPA, Senior Auditor II



Tamera S. Kusian, CPA  
Deputy Auditor of State

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## **Appendices**

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Copy of Requirements of Natural Park Service Grants

8. **Project Summary:**

**Description of the overall Lewis & Clark Visitor Center Project**

The visitor center will be a multi-purpose building located in Lewis & Clark State Park, Onawa, Iowa. The center will be built on the shores of an oxbow lake, a former channel of the Missouri River, and across the lake from the original campsite of the Expedition.

The center will be approximately 20,000 square feet with the following components: boat storage/display/work area, gift shop, exhibit area, Native American displays, meeting rooms, offices and outdoor boat-viewing platforms. The interpretive theme will be centered on the method of transportation of the Expedition. To date, approximately \$1 million has been raised to fund the \$3 million center.

The center will be strategically located on the Lewis & Clark National Historic Trail (NHT), just two miles from Interstate 29. The I-29 corridor is traveled by tourists following the NHT and others vacationing to the Black Hills and other attractions farther north and west. State Highway 175 passes the entrance to the park and leads west to Nebraska. Blackbird Hill Scenic Overlook is less than eight miles from the park off Nebraska Highway 75.

**Planned Objectives**

- To coordinate and implement design, development and interpretation of exhibits; NPS to monitor project and review interpretation through project coordinator;
- To coordinate, review and consult with NPS, DNR, DOT, Friends of Discovery, Native Americans, Onawa Community Foundation, county, city and others as appropriate;
- Increase public understanding and appreciation of the Expedition through boat replicas and interactive interpretative and educational displays;
- Research and interpret Expedition history and Native American cultural history as it relates to the local area (between Blair, Nebraska and Sioux City, Iowa);
- Provide fully accessible lakeside boat-viewing areas suitable for groups of up to 40 people;
- Exhibit space will adhere to Secretary of the Interior museum standards.

**Major Actions**

- Consultant(s) will plan and coordinate with DNR staff, friends group, tribal representatives and NPS staff to develop an interpretative theme, script and storyline for project;

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Copy of Requirements of Natural Park Service Grants

- Contract with firm(s) to coordinate, design, build and install exhibits in phases to provide needed flexibility;
- Design and build boat-view platform (outside;
- Explore and suggest sustainable uses for building after Bicentennial.

This project will greatly enhance visitor services at Lewis & Clark State Park by providing accessible interactive displays that are well-planned and professionally designed around three existing wooden boat replicas. As a result of this project, we anticipate a dramatic increase in the number of visitors (visitors increased by 30,000 in 2001) to the park, and a corresponding rise in visitor center gift shop revenue.

**9. Project Description:**

- A. Initial Stage—This \$250,000 will be used for initial stages of research and planning as far as funds as available.
- B. Interview and contract entities to be involved in design development and interpretation of exhibits (to be phased in). NPS staff assistance requested (April 2002—June 2002 or sooner) .
- C. Planning and Research—Coordinate with DNR, friends group, tribal representatives and others to gather input to develop script and storyline. Research Expedition and Native American cultural history to incorporate into script and storytelling. Finalize interpretive theme, script and storyline and present to all parties for review by December 2002. NPS staff asked to review and consult ongoing.
- D. Design and build interior/exterior interpretive displays and boat-viewing area (January—April 2003).
- E. Install displays and present final report on project (October 2003).

**10. Project Completion Assurance:**

Project coordinator will consult with all parties involved with primary focus on the Iowa Department of Natural Resources staff providing expertise to ensure the completion of the project. Construction Services Bureau of the IDNR oversees the design and building of park facilities. Onsite park managers and engineering inspectors can provide assistance as needed. State/federal laws and generally accepted standards will be followed throughout the project. NPS staff will be asked to review and consult. Friends of Discovery and the Park Superintendent have made initial contact with Dr. Rudi Mitchell (Omaha Tribe) and others about their involvement in the project. Tribal representatives will be contacted to provide input on the interpretive displays.

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Copy of Requirements of Natural Park Service Grants

**11. Results or Products:**

- Script and storyline for interior exhibits;
- Boat-viewing platform designed and built;
- Historical research report presented in document form;
- Inputs received from NPS, IDNR, park friends, tribal organizations, historians and others;
- Interactive interpretive exhibits installed in space provided in the completed visitor center incorporating existing interpretive features (boat models and replicas);
- Museum portion of exhibit space provided for artifacts, textiles, weapons and other collections related to Expedition travel.

The estimated number of visitors to Lewis & Clark State Park has increased in 2001 by 30,000. Attendance is expected to continue to increase dramatically with the addition of the visitor center and the upcoming Bicentennial of the Expedition. The Iowa DNR has plans to redesign the campground pads, roads and upgrade electrical sites prior to 2004.

The Friends of Discovery have provided interpretive programs on the Expedition, hosted the Lewis & Clark Festival for 17 years, and used the replica boats for living history programs. For the past two years, the Friends have operated a small temporary gift shop near the boats. The gift shop has brought in \$15,208 through the sale of souvenirs in the first two years of operation. The gift shop in the visitor center is anticipated to generate \$45,000(+) in annual revenue.

**12. Applicant Assurance:**

The State of Iowa, Department of Natural Resources, as owner and manager of this project in Lewis & Clark State Park, will clearly identify the National Park Service and the Challenge Cost Share Program in signs, interpretive displays, reports, published materials and films under this funding.

Report on Review of the  
Department of Natural Resources  
Lewis and Clark Interpretive Center

Copy of November 2002 Billing Statement from Community Services Group



**Shaping Success**

11313 Chicago Circle  
Omaha, Nebraska 68154

Tele: 402 556-6611  
Fax: (402) 334-5546  
Email: corcoran\_dan@hotmail.com

November 2002

Steve Allen, General Co-Chair  
Dave Radke, Committee Member  
Lewis & Clark Capital Campaign

**STATEMENT**

Paid May/June 2001 (\$6,000.00)  
Paid July/Aug/Sept/Oct (\$10,000)  
Paid Oct \$2,000/Nov, Dec, Jan \$2,000 (\$10,000)  
Paid Jan. \$1,000, Feb. \$2,000 (\$3,000)  
Paid Feb. \$2,000 + Mar thru Aug @ \$3,000/mo (\$19,000)  
Paid 7.5% of \$312,700 in grants and donations (\$23,452.50)  
Paid Aug/Sep (\$33,000)

Due: Oct \$3,000/Nov \$3,000	\$6,000.00
Due: 7.5% of \$10,000 pledge R Saunders (\$750)	750.00
<hr/>	
Total due	\$6,750.00

Thank you for allowing us to be of service.

Please make check payable to  
Community Services Group, Inc.  
Attn: Dan Corcoran

Sincerely,

Dan Corcoran, CFRE

An Affiliate of Bill Ramsey Associates, Inc.

*State Grant for 12,700*

*18,750 PD # 11/15/02*

*Thanks, Dan*

*11/15/02 Approved Friends of Discovery*

*By: Steve W Allen Chairman*

Report on Review of the  
Department of Natural Resources  
Lewis and Clark Interpretive Center

Copy of August 2002 Billing Statement from Community Services Group



11313 Chicago Circle  
Omaha, Nebraska 68154

August

*Amy*  
*need to send Bal*  
*of 13,000.00*

Steve Allen, General Co-Chair  
Dave Radke, Committee Member  
Lewis & Clark Capital Campaign

*D.C.*

STATE

Paid May/June 2001 (\$6,000.00)  
Paid July/Aug/Sept/Oct (\$10,000)  
Paid Oct \$2,000/Nov, Dec, Jan \$2,000 (\$10,000)  
Paid Jan. \$1,000, Feb. \$2,000 (\$3,000)  
Paid Feb. \$2,000 + Mar thru Aug @ \$3,000/mo (\$19,000)  
Paid 7.5% of \$312,700 in grants and donations (\$23,452.50)



Scott Carlson  
General Manager



Due: \$30,000/Administrative fee paid by NPS grant monies	\$30,000
Due: Sept. \$3,000	3,000
<b>Total due</b>	<b>\$33,000.00</b>

Thank you for allowing us to be of service.

Please make check payable to  
Community Services Group, Inc.  
Attn: Dan Corcoran

Sincerely,

Dan Corcoran, CFRE

*1/12/02 approved & recommended*  
*Steph W. Allen, Co-Chair, Steering Committee*  
An Affiliate of Bill Ramsey Associates, Inc.

*9/12 Amy*  
*Please E-mail once*  
*the check has been sent*  
*Your attention to it is*  
*appreciated. Thanks!*  
*DAN*  
*out of NPS grant*  
*paid 20,000 9-12*  
*CK 746*  
*10*

Report on Review of the  
Department of Natural Resources  
Lewis and Clark Interpretive Center

Copy of June 2003 and May 2004 Billing Statements from Community Services Group

▲ COMMUNITY  
□ SERVICES  
● GROUP

11313 Chicago Circle  
Omaha, Nebraska 68154

**Shaping Success**

Tele: 402 556-6611  
Fax: (402) 334-5546  
Email: corcoran\_dan@hotmail.com

June 23, 2003

Steve Allen, General Co-Chair  
Dave Radke, Committee Member  
Lewis & Clark Capital Campaign

STATEMENT

Due: June 2003 @ \$3,000	\$ 3,000.00
Doug Hartman, Hartman Historical Services (\$45,000 of \$100,000)	45,000.00
Last \$100,000 of \$475,000 DOT	7,500.00
\$44,500 of \$67,500 (from \$900,000 CAT grant)	44,500.00
<b>Total due</b>	<b>\$100,000.00</b>

Thank you for allowing us to be of service.

Please make check payable to  
Community Services Group, Inc.  
Attn: Dan Corcoran

Sincerely,

Dan Corcoran, CFRE

6/23/03

Approved:

*Stephen W. All*  
Co-Chair

An Affiliate of Bill Ramsey Associates, Inc.

Pt 4815  
6/23/03

Report on Review of the  
Department of Natural Resources  
Lewis and Clark Interpretive Center

Copy of June 2003 and May 2004 Billing Statements from Community Services Group



11313 Chicago Circle  
Omaha, Nebraska 68154

**Shaping Success**

Tele: 402 556-6611  
Fax: (402) 334-5546

May 17, 2004

Steve Allen, General Co-Chair  
Dave Radke, Committee Member  
Lewis & Clark Capital Campaign

STATEMENT

Due: From NPS Grant:	
7.5% of final \$200,000 DOT \$475,000 grant	\$ 15,000
7.5% of 2003 NPS grant, total \$100,000	7,500
7.5% of CAT approved in-kind donations) partial	9,500
Final \$23,000 due CAT grant (7.5%)	23,000
June contract – monthly fee	3,000
Subtotal	\$58,000
Check payable to:	
Hartman Historical Services, Inc.	\$45,000
(remainder of \$100,000 payment, final design)	
Total Due	\$ 103,000

Please make check payable to  
Community Services Group, Inc.  
Attn: Dan Corcoran

Sincerely, *TH*  
*Dan Corcoran*  
Dan Corcoran, CFRE

*Approved: 5/18/04*  
*Stephen W. Allen*  
*Chairman, Hartman*