

# **Audit Report**

**Dutchess County Association of Senior Citizens, Inc.**  
**January 1, 2007 – December 31, 2007**

Comptroller’s Summary..... 3  
    Background..... 3  
    Audit Scope, Objective and Methodology..... 3  
    Summary of Findings..... 4  
    Detailed Findings..... 4  
        Internal Controls ..... 4  
        Revenues ..... 5  
        Expenses ..... 5  
        Contracts ..... 5  
Addendum I – Contract Detail..... 7  
    Department of Office For the Aging..... 7  
    Department of Planning and Community Development..... 8

# Comptroller's Summary

## Background

Dutchess County Association for Senior Citizens, Inc. (ASC), a not-for-profit organization provides programs to senior citizens in and around Dutchess County. ASC also provided sponsorships for Volunteer Caregivers Program Inc. (VCP), which is a separate corporation, and Retired and Senior Volunteer Program (RSVP).

Additional information is on the website: <http://www.dcasc.org>

*Dutchess County Association for Senior Citizens (ASC) contracted with Families First of NY, Inc. for accounting support services for 2007. The contract between Families First of NY Inc. (FFNY) and ASC ended December 31, 2007 and the accounting services are currently performed in-house.*

## Audit Scope, Objective and Methodology

The audited period was January 1, 2007 – December 31, 2007. The agency's audited annual financial statements reported expenses totaling \$757,811.00 for the year ended December 31, 2007. Dutchess County reimbursements for 2007 expenses amounted to \$61,680.82. Funds were provided by the following contracts:

Contract #	Term	Description	Maximum Funding	Payments Issued- 2007
96-0032-OA	01/01/07 - 12/31/07	Rent	\$7,200.00	\$6,800.04
02-0249-OA	01/01/07 - 12/31/07	Volunteer Caregivers Program*	\$6,408.00	\$2,506.57
04-0259-OA-A2	04/01/06 - 03/31/07	Respite/Adult Day Care	Daily Rate	\$7,578.00
04-0259-OA-A3	04/01/07 - 03/31/08	Respite/Adult Day Care	Daily Rate	\$27,467.00
06-0241-PL	03/01/06 - 02/28/07	Volunteers in Transition Program	\$17,000.00	\$3,167.71
07-0285-PL	03/01/07 - 02/29/08	Volunteers in Transition Program	\$17,000.00	\$14,161.50
				<u>\$61,680.82</u>

\*The Board discontinued the Volunteer Caregivers Program in March 2007.

The audit included review of:

- Internal controls;
- The agency's detail ledger, salaries and original supporting documentation;
- Contract compliance.

Contract detail is attached as Addendum I.

## Summary of Findings

While no discrepancies were found in contract payments to the agency, the agency reported net losses for four (4) years, discontinued the VCP in March 2007, and the RSVP is scheduled to be discontinued in September 2008. Two Miscellaneous Income 1099 forms were not issued to vendors in 2007.

## Detailed Findings

### Internal Controls

As previously stated FFNY provided accounting services for 2007; therefore, current internal controls for daily operations were reviewed. This included the receipt of money, bank deposits, approval of purchases, check disbursements, bank reconciliations, payroll and claim processing. *The Executive Board approved the revised Fiscal Policies and Procedures manual to strengthen the internal controls in February 2008.*

### Financial Statements/Board Minutes

We noted that the agency's financial statements have reported losses to net assets each year as shown below. Board minutes for 2007 and 2008 acknowledged the agency's ongoing deficits; cash flow concerns including accounts receivables; and specific program funding issues. Board minutes also reflected the decisions to discontinue the VCP and RSVP. These programs represented approximated 33% of the agency's overall expenditures.

<b>Year Ended</b>	<b>Change to</b>
<b>12/31</b>	<b>Net Assets</b>
2004	(\$13,284.00)
2005	(\$9,215.00)
2006	(\$41,648.00)
2007	(\$88,330.00)

### Cash Handling and Banking

The current functions for recording, depositing and performing bank reconciliations are separated. Deposits and bank reconciliations were reviewed. Monies received from Dutchess County were deposited timely. Monthly bank statements are opened and reviewed by the Board of Director's Treasurer and verified to the general ledger.

### Credit Cards

The Agency has four (4) credit cards. Credit cards were assigned to specific locations with a limit of \$1,000.00 per card. Cards were assigned to Daybreak North, Daybreak South, RSVP, and the Executive Director. The Executive Director reviews charges prior to the payment process.

## **Revenues**

Payments were recorded in the appropriate revenue accounts.

## **Expenses**

The agency's budget was approved by the Board of Directors.

### **Personnel Services**

FFNY contracted with Paychex to process ASC's payroll including payroll taxes. Salaries claimed to Dutchess County funding were verified to W-2s.

### **Fringe Benefits/Payroll tax**

ASC incurs payroll taxes and fringe benefit costs for all employees. Payroll taxes were also processed by Paychex.

### **Tax Filing**

CHAR 500, Annual Filing for Charitable Organizations

IRS 990 Information Return

The above reports were filed.

### **IRS Form 1099-Miscellaneous Income**

The IRS requires Form 1099-Miscellaneous Income Statements be issued to individuals/businesses that receive payment of \$600.00 or more in a calendar year for services provided. Selected vendors were reviewed.

#### ***Finding:***

For the calendar year 2007, the agency did not issue two 1099's for vendors who provided services and received payments in excess of \$600.00.

#### ***Recommendation:***

When required, per IRS regulations, all vendors must be issued a 1099-Miscellaneous Income Statement.

## **Contracts**

Contracts were reviewed for compliance. Findings for specific contracts follow:

- Contract # 96-0032-OA  
The contract amount for rent was not fully claimed per the county contract.
- Contract # 02-0249-OA  
The program was ceased March 2007 by the agency resulting in a reduction of funding.

Addendum 1 contains detailed contract information and findings.

*Aileen Davidson*

Aileen Davidson, Auditor

*Diane Jablonski*

Diane Jablonski, Comptroller

## **Addendum I – Contract Detail**

### **Department of Office For the Aging**

#### **Contract # 96-0032-OA**

This contract provided \$7,200.00 to rent space for the Senior Friendship Center located in the First Presbyterian Church, City of Poughkeepsie. The term of this contract was January 1, 2007 through December 31, 2007. The total consideration of this contract was \$7,200.00 or \$600.00 per month. However, the amount billed, claimed, and paid in 2007 totaled \$6,800.04.

#### **Contract# 02-0249-OA**

This contract provided funding for the Volunteer Caregivers Program, Inc. to match volunteers with senior citizens (DC residents age 60 and over) referred by the Dutchess County Office For the Aging, CASA, and other sources, including self referral. Volunteer services included transportation and in-home contact and support as follows:

1. Transportation
2. Friendly Visiting
3. Shopping Assistance
4. Telephone Reassurance
5. Respite care-to relieve caregivers who are providing care to a homebound, frail person

The term of this contract was January 1, 2007 through December 31, 2007. The consideration for this contract was \$7,120.00 distributed as follows:

County Share	\$6,408.00
Agency Share	712.00
	<u>\$7,120.00</u>

Funding was allocated to salary and fringe benefits. The contract was terminated in March of 2007 and a total of \$2,506.57 was claimed and paid for the period January 2007 – March 2007.

#### **Contract # 04-0259-OA-A2**

#### **Contract # 04-0259-OA-A3**

The above contracts (fee for service) were written based on daily rates for respite/adult daycare and transportation services. Services included respite/adult day care to clients of the Office For the Aging/CASA, EISEP, and Title III-E programs. The contract terms were April 1, 2006 through March 31, 2007 and April 1, 2007 through March 31, 2008

respectively. In 2007, \$7,578.00 (January – March) and \$27,467.00 (April – December) were claimed and paid on the above contracts.

	<u>Jan - March</u>	<u>April -Dec</u>
Daycare	\$6,068.00	\$22,673.00
Transportation	1,510.00	4,794.00
	<u>\$7,578.00</u>	<u>\$27,467.00</u>

## **Department of Planning and Community Development**

### **Contract # 06-0241-PL**

The term of this contract was March 1, 2006 – February 28, 2007 with total consideration of \$17,000.00. Funds were provided from the US Department of Housing and Urban Development (HUD) through the Dutchess County Department of Planning and Community Development. The program provides isolated senior citizens with contact through a telephone reassurance project and an intergenerational pen pal program.

Funding was allocated to salaries and fringe benefits for the Volunteers in Transition Program (VIT) and distributed as follows:

Salary	\$2,677.28
Fringe	<u>490.43</u>
Total Paid Jan - Feb 2007	<u>\$3,167.71</u>

### **Contract # 07-0285-PL**

The term of this contract was March 1, 2007 – February 28, 2008 with total consideration of \$17,000.00. Funds were provided from the US Department of Housing and Urban Development (HUD) through the Dutchess County Department of Planning and Community Development. The program helps mentally and physically challenged elderly, as well as, frail and isolated seniors matching them with non-challenged senior volunteers.

Funding was allocated to salaries and fringe benefits for the Volunteers in Transition Program (VIT) and distributed as follows:

Salary	\$12,281.36
Fringe	<u>1,880.14</u>
Total Paid March - Dec 2007	<u>\$14,161.50</u>