

AUDIT REPORT

Dutchess ARC

(NYSARC, Inc. Dutchess County Chapter)

January 1, 2014 – December 31, 2014

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Comptroller's Summary

Organization

Dutchess ARC (Dutchess County Chapter, NYSARC Inc.) is a non-profit agency that has been serving children and adults with developmental disabilities and their families in Dutchess County since 1971. Dutchess ARC operates residential, day services, vocational and clinic programs. Additional information can be found at: www.dutchess-arc.org.

Audit Scope

The audit was performed for the period January 1, 2014 through December 31, 2014. Dutchess ARC had two contracts with Dutchess County and one contract with the Dutchess County Workforce Investment Board during this time period.

Dutchess County Department of Mental Hygiene (DMH)	\$270,500.00
Dutchess County Workforce Investment Board (WIB)	\$7,878.78
Dutchess County Department of Community and Family Services (DCFS)	\$23,395.87

The audit included a review of:

- Accounting and internal control processes
- Contract review, the New York State Consolidated Fiscal Report (the required claiming document) and related accounting records
- Funding status for all open time periods

General Finding

Dutchess ARC records were found to be in good order.

Detailed Findings

Banking

Dutchess ARC's Operating bank account was reviewed for reconciliations, outstanding checks, deposit of county funds and the agency's oversight/review. Dutchess ARC has a check list of bank account policy and procedures that is performed every month.

Observations:

- ❖ Bank reconciliations were up to date, outstanding checks were current, oversight procedures were evident.

- ❖ It was noted in the previous audit that the Board did not review bank reconciliations; Board review continues to be absent.

Payroll

Total agency Personal Services reported were \$10,606,586 in 2014. Consumer wages reported on the Consolidated Fiscal Report (CFR) for the Workshop and Supported Employment Programs totaled \$376,228.

Documents reviewed included:

- W-2s
- NYS and Federal quarterly tax return filings
- Internal operating procedures

Observations:

- ❖ The agency utilizes an electronic time keeping system for all employees.
- ❖ Payroll functions have been separated between the Departments of Human Resources and Finance; this was a recommendation made in our last audit.

County Contracts and Payment

Contract 11-0069 Mental Hygiene

This county contract for 2014 amounting to \$270,500 was reviewed and compared to payment applications including the agency's final claiming documents and the Consolidated Fiscal Report (CFR). Contract funding for this contract was provided from New York State Office of Persons with Developmental Disabilities (OPWDD), New York State Office of Mental Health (OMH) and County appropriations for the Shelter Workshop & Supported Employment Program.

Revenue and expenses reported on the CFR were traced to the agency's detail ledgers. Net deficit funding reported on the CFR is a result of total expenditures less total net revenues. Below is the net deficit funding for the programs including the New York State and Dutchess County funding.

2014 EXPENSES	OPWDD	OMH	Total
	Sheltered Workshop	Supported Employment	
Personal Services	\$332,754	\$46,195	\$378,949
Fringe Benefits	100,799	13,993	114,792
Other Than Personal Services	423,952	6,109	430,061
Equipment	14,901	667	15,568
Property	67,473	1,498	68,971
Agency Admin	<u>96,332</u>	<u>7,448</u>	<u>103,780</u>
Total Expenses	\$1,036,211	\$75,910	\$1,112,121
Less Net Revenues	<u>512,835</u>	<u>0</u>	<u>512,835</u>
Net Operating Costs	<u>\$523,376</u>	<u>\$75,910</u>	<u>\$599,286</u>

2014 FUNDING	OPWDD Sheltered Workshop	OMH Supported Employment	Total
State OPWDD	\$205,390		\$205,390
State OMH		\$42,008	42,008
County Appropriation	<u>23,102</u>		<u>23,102</u>
Total DC Contract	<u>\$228,492</u>	<u>\$42,008</u>	<u>\$270,500</u>
Voluntary Contributions	182,288		182,288
Non-Funded	<u>112,596</u>	<u>33,902</u>	<u>146,498</u>
Total	<u>\$523,376</u>	<u>\$75,910</u>	<u>\$599,286</u>

Dutchess ARC reported approximately 143 individuals were served in the Supported Employment and the Sheltered Workshop programs.

Observation

- ❖ For 2014, a total of \$270,500 was claimed and paid.

Funding status for prior periods

As part of the audit, previous years state funding and closeouts were reviewed. The agency records indicate an amount of \$2,497 is due from the County for 2012. County records show an unpaid balance of \$2,497 on contract # 11-0069 for 2012. Reconciliation with DMH needs to be performed.

Dutchess County Workforce Investment Board

DCFS contracted with the Dutchess County Workforce Investment Board (WIB), County Contract # 14-0224 to provide Summer Youth Employment. WIB contracted with Dutchess ARC to provide the services from June 20, 2014 to September 30, 2014 for an amount of \$7,878.78 to work with a minimum of 3 clients. Dutchess ARC reported receipts of \$7,878.78 for serving 3 clients.

Department Of Community and Family Services (DCFS) Payments

For 2014, DCFS made payments totaling \$23,395.87 for a Vocational Program to serve 7 youth for the time period June 29, 2014 - August 14, 2014. Dutchess ARC provided job development and job coaching including transportation to and from job sites.