

Audit Report

Cornell Cooperative Extension of Dutchess County

January 1, 2013 - December 31, 2013

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Background and Organization

Cornell Cooperative Extension Dutchess County, an organization associated with Cornell University and its land-grant mission since 1869, disseminates research-based resources, tools and education to the residents and officials of Dutchess County. Program areas include: Agriculture & Horticulture, Environment, Family & Consumer Education, and 4-H Youth Development. More information can be found at their website: ccedutchess.org

Audit Scope & Methodology

The audit of Cornell Cooperative Extension (CCE) was conducted for 2013. Expenses for the time period 10/1/12 to 12/31/12 were reviewed for the DCFS Food Stamp Nutrition Education program as the funding for the contract period was for the time period 10/1/12-9/30/13. In addition, expenses for the time period 1/1/14-3/31/14 were reviewed for the Planning 'Agency Partnership Grant' as the contract period was for the time period 4/1/13 to 3/31/14. Contracts reviewed totaled \$869,505 as shown in the chart.

Contract #	Department	Program	Amounts
13-0518	Planning	Agriculture and Farmland Protection Board	\$1,000
13-0320	Planning	Develop a New Agriculture and Farmland Protection Plan	26,880
10-0081-A4	Office for the Aging	Grandparents Program	7,650
13-0185	DCFS (Youth Bureau)	Green Teen	12,000
11-0589-A2	DCFS (formerly DSS)	Food Stamp Nutrition Education (FSNEP) Contract time period is 10/1/12-9/30/13	180,950
13-0116-A1 & 13-0321	Planning	Agriculture/Horticulture	199,000
13-0116-A1 & 13-0321	Planning	Environment	72,250
13-0321	Planning	Composting	11,250
13-0116-A1 & 13-0321	Planning	4-H Youth Development	69,995
13-0321	Planning	4-H Anti-Bullying	17,093
13-0016-A1	Planning	Nutrition Programming	18,750
13-0321	Planning	Green Teen	<u>15,379</u>
		Sub Total	\$632,197
13-0227	Budget	In-Kind Rent	<u>237,308</u>
		Grand Total	<u>\$869,505</u>

The audit included a review of internal controls, contracts, claims, agency financial records and selected accounting activities. Contracts and a brief summary of each are attached as Addendum I.

Summary of Findings

Agency records were generally found to be in good order for the above contracts. Improvements had been made since our last audit in regards to claiming: However, additional efforts should be made to ensure:

- CCE does not submit manual written adjustments to support claims for funding. All adjusting journal entries should be made to the agency ledgers prior to claim submittals to ensure a clear and correct audit trail.
- CCE prepares timely reconciliations to ensure timely claiming of funds.

Dutchess County Planning and Cooperative Extension cooperatively addressed 2013 claiming concerns. Disallowances totaling \$4,494.65 were repaid to the county for the Planning, Youth, and Health 2012-2013 funding. In addition, the DCFS 2012 contract disallowances for the Food Nutrition Program totaling \$4,328.64 were repaid during the writing of this audit.

Detailed Findings

Funding administered by the Planning Department

The Planning Department oversees the largest amount of county funding to CCE. The 2013 grants provided \$387,177 in county dollars. Since the last audit, the Planning Department established additional protocols to review claim submittals which resolved claiming concerns prior to payment during 2013. We reviewed claims and documents at Planning including changes, corrections, clarifications that were obtained by Planning to support payments made to Cornell. In addition, corresponding records and agency ledgers were reviewed at the Agency during our on-sight assessment.

Funding provided through DCFS for the Food Stamp Nutrition Education (FSNEP)

While conducting our review of DCFS FSNEP claims, selected employee travel claims were sent back via DCFS for additional supporting information. Information was provided to satisfy the information requests to support the respective claims. *Information requested was consistent with the additional documentation that Planning typically requested during 2013 to validate selected expense claims.*

Employee Travel/Mileage

Employee travel was claimed in the amount of \$16,508 for the contract periods. Cornell's employee monthly expense forms were intended to report travel for each funding source as noted on the claim form statement "separate form per funding source". During 2013 CCE made enhancements to the employee expense forms which provided a claim review and reconciliation by program area.

Findings found by Planning and disallowed:

- Charges were not directly related to the program and removed
- Charges were outside the contracted period.

Detail Ledgers

In some instances, detail ledgers were submitted by CCE to support selected expenditures. Disallowances from the last audit were removed from the county funding and adjustments were sourced to donations.

Findings

It was noted detail ledgers were not reconciled to the quarterly claims submitted which resulted in:

- Manual written ledger adjustments to support claims. This included additions and subtractions quarterly. *During the audit manual adjustments were reviewed. CCE staff stated monthly ledgers were closed and adjustments could not be made timely.*
- It was noted in some instances expenses exceeded the contract budgets as a result of Program Directors not staying with the budgeted expense.
- The first quarter of 2014 salary claimed to Planning for the Environment Program included an over claim of salary and wages in comparison to the general ledger which was attached to support expenses. The claim submitted for Personal Services totaled \$23,393.47; however the ledger amount was \$18,545.35. *This claim was returned to the agency by Planning, adjusted by CCE and returned for payment.*

Recommendations

- All detail ledgers should be properly posted with adjustments and reconciled prior to claiming funds. Additionally it should be noted that this should normally be accomplished prior to the closing of monthly activity. Journal entries to prior year accounts should be properly utilized.
- Program budgets should be reconciled monthly and in a timely manner. This should expedite the claim submittal process by CCE and the subsequent payment of claims.

Personal Services

CCE reported \$1,247,908 salary paid in 2013. Cornell University processes the CCE payroll and bills CCE on a monthly basis. In 2013, a total of \$544,497 was claimed for Dutchess County contracted programs. This amount included salary paid by CCE as a required match for the OFA funding. A sample of selected employees annual salaries were reviewed to the claimed amounts and no discrepancies were noted.

Fringe benefits were reported based on a value provided by NYS Office of State Comptroller for Fringe Benefits and Indirect Cost rates.

Inventory

CCE claimed and purchased through county contracts some equipment which included: laptops, camera, computer and printer. The agency prepared an updated inventory list at the time of our review. We conducted a verification of the new purchases and no discrepancies were found.

Fixed Assets

A review of the agency's fixed assets and supporting documentation was conducted.

Land and Buildings

A review of land and buildings from CCE’s Fixed Asset Listing (12/31/13) which provides detail for the Balance Sheet accounts for the period ending December 31, 2013 revealed the following values of \$70,510 for Land and \$241,220.02 for Buildings.

The **Land** is comprised of two properties that are recorded at their acquisition values: Property at the **Fairgrounds** which has an Acquisition Date of January 1941 which lists a value of \$410 and **PV Schooling Grounds** (Rossway Road) which has an Acquisition Date of September 1994 which lists a value of \$70,100. A review of the Dutchess County’s parcel access records shows the property located at the D.C. Fairgrounds is comprised of 3.1 acres with a land value at \$ 155,500 with a full market value of the property as \$652,500 and the second property in Pleasant Valley on Rossway Road which is comprised of 9.4 acres with a land value of \$164,400. Board minutes indicated the Rossway Road property was offered for sale; however, at the time of our review, no buyers had purchased the land.

Information obtained from the Fixed Asset Listing provided the detail for the **Buildings** totaling \$241,220.02 as follows:

	Acquisition Amount	Accumulated Depreciation	Acquisition Date
Fairground Buildings	\$ 62,600.32	\$62,600.32	January 1954
Fairground Improvements	\$102,016.59	\$71,411.70	January 1992
Cafeteria & Barn Improvements	\$ 64,776.90	\$41,025.37	January 1994
Fairground Improvements	\$ 11,826.21	\$ 7,095.65	January 1995
Total	\$241,220.02	\$182,133.04	

In Kind Rent for Dutchess County Property – Farm and Home Center

Annually, the county enters into a memorandum of agreement to memorialize the donation of the land and building occupied by CCE; also known as the Farm and Home Center. The 2013 value was listed as \$237,308 and is included on the agency’s financial statements. The land and building according to Dutchess County’s parcel access are valued at \$4,248,300 with the land valued at \$206,600. The parcel is comprised of 6.9 acres. An updated contract for 2014 was not in place at the time of our review in September 2014 to memorialize this annual donation of the Farm and Home Center.

Fund Balances

A historical review of the Fund balances as reported by CCE follows:

FUND	2009	2010	2011	2012	2013
Designated	\$ 424,188.86	\$ 106,920.79	\$ 346,563.85	\$362,386.05	\$292,544.52
General	26,234.64	351,372.51	141,332.78	138,863.03	101,481.51
Plant	<u>209,114.33</u>	<u>187,861.52</u>	<u>160,745.10</u>	<u>145,763.28</u>	<u>133,158.45</u>
Total	<u>\$ 659,537.83</u>	<u>\$ 646,154.82</u>	<u>\$ 648,641.73</u>	<u>\$647,012.36</u>	<u>\$527,184.48</u>

Exhibit I Financial Statement

Cornell Cooperative Extension Association of Dutchess County Revenue and Expense for the period ending 12/31/2013

Revenue			12/31/2012 Comparison
Federal	\$226,926.67		\$159,641.50
State	335,758.64		233,060.69
Fringe – Cornell	648,482.13		505,912.51
Other Grants/Contracts	249,647.73		138,536.27
County – includes In-Kind Building	817,238.92		1,048,239.23
Contributions	64,471.30		57,673.13
Investment Income	370.50		119.47
Fees/Regional Programs	26,462.16		60,764.21
Rental Income	35,329.78		27,339.58
Sales	55,552.60		58,693.73
Other	<u>10,080.16</u>		<u>14,313.81</u>
		\$2,470,320.59	\$2,304,294.13
Expenses			
Salaries	\$1,247,908.96		\$1,057,794.23
Benefits – includes Cornell-Fringe	663,620.35		532,445.56
Staff Development	7,980.32		10,385.20
Awards & Prizes	12,081.04		14,554.53
Computer	700.00		1,347.46
Fund Raising	9,430.84		14,276.23
Trips & Tours	6,211.09		29,695.52
Telephone	20,796.81		25,486.53
Supplies	49,233.90		62,219.19
Insurance	18,856.90		19,723.10
Fees & Licenses	2,355.26		4,521.40
Lease and Rental – includes In-Kind Building	255,684.01		262,678.55
Meetings & Conferences	15,737.34		12,240.01
Travel	51,512.66		49,651.45
Printing	20,024.06		20,936.64
Classified	2,593.75		4,934.19
Teaching Materials	12,751.84		27,679.18
Contract Services	55,048.36		41,481.15
Legal Fees	675.00		4,775.00
Sales/Taxes	3,138.23		2,844.46
Regional Support	50,654.67		29,089.05
Association Services	11,609.00		11,360.00
Facilities	52,131.80		49,193.56
Other Monetary	678.00		(569.51)
Depreciation	<u>21,224.22</u>		<u>17,180.82</u>
		\$2,592,638.41	\$2,305,923.50
Decrease Net Assets		\$ (122,317.82)	\$ (1,629.37)

Addendum I Contract Summary

Planning Department

Two contracts were executed for funding for 2013. The first contract, #13-0116-A1, provided funding for the time period January 1, 2013 with a termination date of April 30, 2013 with funding not to exceed \$134,155. According to this Contract, funds were appropriated by the Dutchess County Legislature for the programs listed below. The second contract #13-0321 provided funding from the 'Dutchess County Agency Partner Grant Program' for the time period April 1, 2013 to December 31, 2013 and was extended by an Amendment A-1 to fund the agency for programming specified below through March 31, 2014. The original contract, #13-0321 was written for \$269,473 and the amendment provided funding totaling \$89,735 for the first quarter in 2014 which amended the total funding for the time period 4/01/13-3/31/14 not to exceed \$359,297. Funds were for the following programs:

	13-0116-A1	13-0321 & A1
PROGRAM	1/01/13-4/30/13	4/01/13-3/31/14
Agriculture/Horticulture	\$56,500	\$ 190,000
Education: Composting/Organics Diversion		15,000
Environmental Services	21,250	68,000
Nutrition Programming	18,750	
4-H Anti-Bullying		22,503
4-H Green Teen Community Gardening		20,808
4-H Youth Development	<u>37,655</u>	<u>42,986</u>
TOTALS	\$134,155	\$359,297

#13-0320 - Agriculture and Farmland Protection Plan

This contract was written in the amount of \$26,880 for the period January 1, 2013 to December 31, 2014. Major work activities include compiling resource maps, updating agricultural district database, providing agricultural district research project mapping and data for summary report. In 2013, a total of \$647.63 was claimed and paid.

#13-0518 - Agriculture and Farmland Protection Board

This contract was written in the amount of \$1,000 for the period January 1, 2013 – December 31, 2013. Funds are provided to assist the Agriculture and Farmland Protection Board in the review of agricultural data statements, annual agricultural district inclusions, PDR applications, and the development of a new Dutchess County Agriculture and Farmland Protection Plan. A total of \$612.76 was claimed for salary and expenses.

Budget

#13-0116 - In Kind Rent

This agreement was written for the period January 1, 2013 to December 31, 2013. The land and building which Cornell occupies is owned by the County of Dutchess; as a result this contract memorializes the annual donation of the space with a rental value of \$237,308. The land and building according to Dutchess County's parcel access are valued at \$4,248,300 with the land valued at \$206,600.

The parcel is comprised of 6.9 acres. An updated contract for 2014 was not in place at the time of our review in September 2014.

Dutchess Community and Family Services, DCFS (formerly DSS)

#11-0589-A2 - Food Stamp Nutrition Education (FSNEP)

This contract was written for the period October 1, 2012 to September 31, 2013 in the amount of \$180,950. This contract provided 100% Federal SNAP-ed funding for the delivery of Food Stamp Nutrition Education Programs for eligible individuals residing in Dutchess County. The full amount of the contract was expended.

DCFS- Youth Bureau

#13-0185 – Green Teen

This contract was written for the period January 1, 2013 to December 31, 2013 in the amount of \$12,000. This 100% NYS funded contract provided for an afterschool Green Teen gardening program for youth to develop self esteem, team experiences, communication skills and decision making skills. The total amount of the contract was claimed for salary which included youth stipends.

Office for the Aging

10-0081-A4 Relatives as Parents Program

This contract was written for the period of January 1, 2013 to December 31, 2013 in the amount of \$7,650 requiring a contractor match of \$2,550 for a total of \$10,200. Services such as workshops, support groups and counseling are provided to Grandparents and other relative caregivers over the age of 55 who are raising children. The total amount of the contract was expended for counseling with support groups in Poughkeepsie, Fishkill and Wassaic.