

Audit Report

Dutchess Outreach, Inc.
January 1, 2007– December 31, 2007

Audit Report.....	1
Comptroller's Summary.....	3
Background.....	3
Audit Scope, Objective and Methodology.....	3
Summary of Findings.....	3
Detailed Findings.....	4
Internal Controls.....	4
Revenues.....	4
Expenses.....	4
Contracts.....	5
Addendum I – Contract Detail.....	6
Department of Social Services.....	6
Health Department.....	6

Comptroller's Summary

Background

Dutchess Outreach, Inc., a not-for-profit organization works to meet the temporary, basic needs (food, medication, utilities, rent) of individuals and families when no other resources are readily available to them. Additional information is on the website: www.DutchessOutreach.org

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 \$808,392.00 for the year ended June 30, 2007. Dutchess County reimbursements for 2007 expenses amounted to \$113,935.37. Funds were provided by the following departments.

Department Contract #	Term	Contract Amount	Amount Paid in 2007
Social Services #05-0368 SS A2	01/1/07-12/31/07	\$40,000.00	\$28,316.37
Health #06-0468 HD A1	03/1/06-02/28/07	\$85,000.00	\$16,848.00
Health #07-0342 HD	03/1/07-02/29/08	\$62,754.00	\$52,888.00
Health #06-0469 HD A1	03/1/06-02/28/07	\$31,500.00	\$10,472.00
Health #07-0343 HD	03/1/07-02/29/08	\$10,000.00	\$5,411.00
TOTAL		<u>\$229,254.00</u>	<u>\$113,935.37</u>

The audit included review of:

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

Contract detail is attached as Addendum I.

Summary of Findings

Dutchess Outreach records were found to be in good order.

Detailed Findings

Internal Controls

The agency's 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.

Cash Handling and Banking

The functions for recording, depositing and performing bank reconciliations are separated. Deposits, canceled checks, and bank reconciliations were reviewed. Monies received from Dutchess County were deposited timely. Monthly bank reconciliations are completed by an outside accountant and verified to the general ledger.

Finding:

The bank reconciliations prepared by the outside accountant did not indicate review by the Executive Director or Board Member.

Recommendation:

Bank reconciliations should be reviewed and initialed by the Executive Director or a Board Member.

Purchasing and Payment Processing

All expenses are approved by the Executive Director or the Associate Director. Checks are processed by the Administrative Assistant and in emergencies by the Executive Director or Associate Director. Signators to the bank accounts include designated board members and the Executive Director and Associate Director. The recording of cash disbursements is performed by an independent accountant.

Credit Cards

The Agency does not have any credit cards.

Claims

Claims are processed by the Dutchess Outreach staff and the outside accountant. Claims were verified to the appropriate cost center.

Revenues

Payments were recorded in the appropriate revenue accounts.

Expenses

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

Personnel Services

Total salaries reported were verified to W2s. Salaries were allocated to various programs based on an approved cost allocation plan. The allocation work papers were reviewed and verified to claims and the general ledger.

Fringe Benefits/Payroll tax

Dutchess Outreach incurs payroll taxes and fringe benefit costs for all employees. Payroll taxes are processed by an outside vendor. Annually, the Board approves the amount the agency contributes to a tax deferred plan.

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. Vendors reviewed were issued the form.

Contracts

Contracts were reviewed for compliance. See Addendum 1 for detail on contracts.


Diane Jablonski, Comptroller


Cordelia Shemain, Auditor

Addendum I – Contract Detail

Department of Social Services

Contract #05-0368 SS A2

This contract provided \$40,000.00 for the period January 1, 2007 to December 31, 2007 to assist persons with physician visits and prescription medications. Per the contract scope of services “Payments will be provided on an individual case basis and usually one-time, with very few exceptions.” The provider of service was paid directly. An amount of \$28,316.37 was claimed and paid.

Health Department

Contract # 06-0468 HD A1

Contract #07-0342 HD

The above contracts were written for \$85,000.00 and \$62,754.00 respectively with terms of March 1, 2006 – February 28, 2007 and March 1, 2007 – February 29, 2008. Funds were provided under the Ryan White Comprehensive AIDS Resources Emergency Act, Title 1 to provide home delivered meals and nutritional assessment and recommendations for people living with HIV/AIDS. Both contracts were claimed and paid in their entirety. In 2007, \$16,848.00 (January-February) and \$52,888.00 (March-December) were claimed and paid on the above contracts.

Contract #06-0469 HD A1

Contract #07-0343 HD

The above contracts were written for \$31,500.00 and \$10,000.00 respectively with terms of March 1, 2006 – February 28, 2007 and March 1, 2007 – February 29, 2008. Funds were provided under the Ryan White Comprehensive AIDS Resources Emergency Act, Title 1 to provide case management and emergency assistance for telephone, utilities, medications and specified emergency dental services to people living with HIV/AIDS. Both contracts were claimed and paid in their entirety. In 2007, \$10,472.00 (January-February) and \$5,411.00 (March – December) were claimed and paid on the above contracts.