

RICHMOND-PERRINE OPTIMIST CLUB, INC.
OF
MIAMI, FLORIDA
INDEPENDENT AUDITORS'
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
For the year ended June 30, 2012

MANAGEMENT AND
COMPLIANCE AUDITS
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INDEPENDENT AUDITORS' REPORT

To The Board of Directors of the
Richmond-Perrine Optimist Club, Inc.
Of Miami, Florida

We have audited the accompanying statement of financial position of The Richmond-Perrine Optimist Club, Inc. of Miami, Florida, (Organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Richmond-Perrine Optimist Club, Inc. of Miami, Florida as of June 30, 2012 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2012, on our consideration of Richmond-Perrine Optimist Club, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of expenditure of financial awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audit of State, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underline accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underline accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statement as a whole.

Miami, Florida
September 25, 2012

Nzeribe & Company, PA
Nzeribe & Company, P.A.

**RICHMOND-PERRINE OPTIMIST
CLUB, INC. OF MIAMI, FLORIDA**
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2012
With comparative totals for year 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Current Assets:		
Cash	\$ 170,331	\$ 194,406
Due from grantors	188,722	155,867
Other assets	<u>1,557</u>	<u>5,310</u>
Current Assets	360,610	355,583
Non-current Assets:		
Building Construction (See note 4)	4,526,803	4,526,803
Leased equipments (net)	<u>0</u>	<u>7,600</u>
Non-current Assets	4,526,803	4,534,403
TOTAL ASSETS	<u>\$ 4,887,413</u>	<u>\$ 4,889,986</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	32,945	25,048
Accrued payroll	32,059	36,101
Loan Payable	71,682	71,132
Lease liability-current	<u>0</u>	<u>7,239</u>
Current Liabilities	136,686	139,520
Non-current Liabilities:		
Lease liabilities -noncurrent	0	1,809
TOTAL LIABILITIES	<u>136,686</u>	<u>141,329</u>
NET ASSEST		
Unrestricted	39,270	9,020
Temporarily Restricted	<u>4,711,457</u>	<u>4,739,637</u>
TOTAL NET ASSETS	<u>4,750,727</u>	<u>4,748,657</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,887,413</u>	<u>\$ 4,889,986</u>

See accompanying notes to financial statements

**RICHMOND-PERRINE OPTIMIST
CLUB, INC. OF MIAMI, FLORIDA**

STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2012

With comparative totals for year 2011

UNRESTRICTED NET ASSETS	<u>2012</u>	<u>2011</u>
Support:		
Miami Dade County-Office of Management & Budget/ Grants Coordination	\$ 262,893	\$ 265,644
Miami-Dade County School Board	321,250	462,037
The Children’s Trust	665,881	775,875
United Way of Miami Dade	103,640	94,998
Contributions	<u>5,531</u>	<u>6,960</u>
Total Unrestricted Revenue	1,359,195	1,605,514
Net Asset Release from restriction	<u>28,180</u>	<u>97,837</u>
Total Support	<u>1,387,375</u>	<u>1,703,351</u>
EXPENSES:		
Program Services:		
Training	159,034	259,138
Education	298,997	412,762
Youth Service (including crime/drug prevention)	<u>782,416</u>	<u>793,250</u>
	1,240,447	1,465,150
Supporting Services:		
General & Administrative	116,678	135,568
Total Expenses	<u>1,357,125</u>	<u>1,600,718</u>
Increase in Unrestricted Net Assets	30,250	102,633
TEMPORARY RESTRICTED NET ASSETS:		
Net Asset release from restriction	<u>(28,180)</u>	<u>(97,837)</u>
(Decrease) in Temporarily Restricted Net Assets	(28,180)	(97,837)
Increase in Net assets:	2,070	4,796
Net assets at beginning of year:	4,748,657	4,743,861
Net assets at end of year:	<u>\$ 4,750,727</u>	<u>\$ 4,748,657</u>

See accompanying notes to financial statements

RICHMOND-PERRINE OPTIMIST CLUB, INC. OF MIAMI, FLORIDA
STATEMENT OF FUNCTIONAL EXPENSES
 For the year ended June 30, 2012
 with comparative totals for 2011

	<u>PROGRAM SERVICES</u>				<u>SUPPORT SERVICES</u>		
	<u>TRAINING</u>	<u>EDUCATION</u>	<u>YOUTH SERVICES</u>	<u>TOTAL</u>	<u>GENERAL ADMIN</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
Salaries	70,770	236,017	549,201	855,988	84,658	940,646	1,078,668
Fringe benefits	<u>8,418</u>	<u>26,698</u>	<u>70,964</u>	<u>106,080</u>	<u>10,491</u>	<u>116,571</u>	<u>132,745</u>
Total	79,188	262,715	620,164	962,068	95,149	1,057,217	1,211,413
Participants' wages stipends & fringes	61,739		4,841	66,580		66,580	65,445
Transportation		241	9,835	10,076	24	10,100	29,597
Equipment rentals						0	5,343
Field trip admissions	532		28,823	29,355	486	29,841	71,138
Program/Operating supplies	7,068	802	29,866	37,736	293	38,029	42,908
Professional fees	2,055	6,652	10,668	19,375	1,916	21,291	33,076
Telephone	260	2,213	15,869	18,342	1,814	20,156	22,820
Conference/Seminars	355		177	532	318	850	1,365
Office supplies & expenses	1,043	978	12,956	14,977	1,481	16,458	15,599
Office/Space rental	139		6,082	6,221	615	6,836	14,184
Printing/Publications	407	156	2,246	2,809	423	3,232	2,588
Maintenance & repairs	1,680	475	7,382	9,537	1,589	11,126	14,377
Utilities	611	15,550	12,823	28,984	2,867	31,851	39,653
Insurance		1,380		1,380	626	2,006	1,179
Special services	2,316	6,476	15,666	24,458		24,458	12,135
Interest				0	7,371	7,371	8,566
Miscellaneous	<u>46</u>	<u>67</u>	<u>855</u>	<u>968</u>	<u>1,155</u>	<u>2,123</u>	<u>1,750</u>
Total before depreciation	<u>157,438</u>	<u>297,705</u>	<u>778,254</u>	<u>1,233,398</u>	<u>116,127</u>	<u>1,349,525</u>	<u>1,593,118</u>
Depreciation	1,596	1,292	4,161	7,049	551	7,600	7,600
Total Expenses	<u>159,034</u>	<u>298,997</u>	<u>782,415</u>	<u>1,240,447</u>	<u>116,678</u>	<u>1,357,125</u>	<u>1,600,718</u>

See accompanying notes to financial statements

**RICHMOND-PERRINE OPTIMIST
CLUB, INC. OF MIAMI, FLORIDA**
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2012
With comparative totals for year 2011

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>2012</u>	<u>2011</u>
Changes in net assets	\$ 2,070	\$ 4,796
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,600	7,600
(Increase)/Decrease in grants receivable	(32,855)	(1,606)
(Increase)/Decrease in other assets	3,753	(179)
(Decrease)/Increase in accounts payable	7,897	(42,513)
(Decrease)/Increase in accrued payroll	(4,042)	(22,370)
(Decrease) in lease payable	<u>(9,048)</u>	<u>(7,239)</u>
Total Adjustments	(26,695)	(66,307)
Net Cash (used) provided by operating activities	<u>(24,625)</u>	<u>61,511</u>
CASH FLOWS USED IN INVESTING ACTIVITIES:	0	0
Net Cash used in investing activities	<u>0</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceed from of loan	550	10,000
Net Cash from financing activities	<u>550</u>	<u>10,000</u>
Net (Decrease)/Increase in cash	(24,075)	(51,511)
Cash balance beginning of year	194,406	245,917
Cash balance end of year	<u>\$ 170,331</u>	<u>\$ 194,406</u>

See accompanying notes to financial statements

RICHMOND-PERRINE OPTIMIST
CLUB, INC. OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Richmond-Perrine Optimist Club, Inc. of Miami, Florida (the Organization), a corporation not-for-profit, was incorporated on January 23, 1986 by the Optimist Club of Richmond-Perrine, Florida, Inc. (The Optimist Club). The Organization sole purpose is to further certain charitable and educational purposes of the Optimist Club including crime and drug prevention; counseling; employability and educational trainings. The Board of Directors of the Optimist Club also serves as the Board of Directors of the Organization. The current list of Board of Directors are: Charles W. Bethel Jr. -President; Dr. Leonardo Stringer- 1st Vice President; Dr. George Battle- 2nd Vice President; Ronald E. Tookes-Secretary; James Williams-Treasurer; Col. Eddie Alford-Board Member; Samuel Burley-Board Member; Joyce Brumby-Board Member; Omar Hassan-Board Member; Dr. Donald Hollis- Board Member; Daisy Gardner Lester- Board Member; Benecia Townsend-Board Member and Wayne Williams-Board member. The main office of the Organization is located at 18055 Homestead Avenue, Miami, Florida. The significant accounting policies followed are described to enhance the usefulness of the financial statements to the reader.

Grants – Grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Grants and donors restricted contributions are reported as unrestricted support if the grant objectives or donor restrictions are met in the same reporting period.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities less than 90 days. At year-end and throughout the year, the Organization's cash balances were deposited in two banks. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

Accrual Basis

The financial statements of Foundation have been prepared on the accrual basis of accounting.

Income Taxes

Richmond-Perrine Optimist Club Inc. of Miami, Florida is exempt from Federal Income taxes under Section 501(c) (3) of the Internal Revenue Code.

Donated Services

No amount has been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fixed Assets

Fixed Assets are recorded at cost or at estimated market value at the date of the gift, if donated. The organization follows the practice of capitalizing all expenditures of and over \$1,000 for equipment with an estimated useful life of three or more years. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

2. SUPPORT – UNRESTRICTED

The funding for the Organization’s programs are provided by the following sources:

Training Programs

Work Experience (W/E)

Funded by Miami-Dade County –Office of Management and Budget Grant Coordination.

Summer Camp Reading (SCR)

After School House (ASH)

Parent Support (PP)

Funded by The Children’s Trust

Summer Youth Employment (SYEP)

Funded by United Way of Miami-Dade County .

Youth Services (Crimes/Drugs Prevention & Youth development) Programs

Modello South Dade Neighborhood Empowerment Program (MSDNEP)

Community Suspension Program (CSP)

Crime Prevention Program (PCPP/GYDP)

Funded by Miami-Dade County Office of Management and Budget Grant Coordination.

Naranja Youth Enterprise South (NYES)

Funded by United Way of Miami-Dade .

Educational Programs

Richmond Perrine Optimist Academy (RPOA)

Richmond Perrine Optimist Club, Inc operates Richmond –Perrine Optimist Academy, a Miami-Dade County Public School Board Outreach Program. The school is currently located at 18055 Homestead Avenue, Miami, Florida, in the Perrine area. The center director is Mr. Lance Williams who oversees the day to day running of the school. The Board of Directors of the Organization is also the Board of Directors of the school. The Board of Directors is listed in paragraph 1 of the notes. The Organization’s educational program is funded by Miami-Dade County School Board (DCSB).

3. FIXED ASSETS

Furniture, fixtures and equipments at June 30, 2012 and 2011 are summarized as follows:

	<u>2012</u>	<u>2011</u>
Furniture & Equipments	36,677	36,677
Leased Equipments	38,000	38,000
Accumulated Depreciation	<u>(74,677)</u>	<u>(67,077)</u>
	<u>\$ 0</u>	<u>\$ 7,600</u>

4. BUILDING CONSTRUCTION

The management expended \$4,526,803 towards the building of Youth Activity Center. The building is located on 18055 Homestead Avenue in Perrine, Florida. The construction of the Youth Activity Center was done on Miami Dade County property leased to the agency for thirty (30) years and allowed for the construction of the building. The building has been totally completed and is restricted in the net asset. The agency is waiting on the County General Service Administration (GSA) to issue an amended lease to include the building in the existing lease. The land and building belong to the County. As of June 30, 2012, the amendment to the existing lease which will include the building is still pending.

5. LOAN PAYABLE

Loan includes a bank loan of \$43,632. On March 25, 2011, Richmond Perrine Optimist Club, Inc. renewed an existing \$50,000 line of credit with Total Bank to be drawn upon as needed through August 31, 2014, with an interest rate of 2% above prime. The loan is secured by corporate assets. As of June 30, 2012, \$43,631.50 of the line of credit had been drawn down and outstanding.

Also included in the loan are a series of loans made to the agency by the corporate officer of the agency. These loans were made with no stated interest rate on the promissory notes. This loan is repayable in partial or in full based upon the availability of funds.

6. RESTRICTION ON NET ASSETS

Temporarily restricted net assets are available for the following purpose or periods:

Periods after June 30, 2012 for programs activities:	\$ 184,654
Building (see note 4)	<u>4,526,803</u>
	\$4,711,457

7. RELATED PARTY TRANSACTION

The director of the agency made loans to the agency for its operations. This loan is evidenced by promissory notes. The agency will repay partial or in full upon availability of funds with no interest and no penalty.

8. COMMITMENTS AND CONTINGENCIES

Lease

The Organization is operating on a thirty (30) years lease on county property. The Organization also has leases on various office spaces in various locations for the purpose of providing family preservation, support, youth's services and other service programs close to the communities.

The Organization is leasing some copier equipment. These leases are classified as a capital lease obligations and the assets are included in the leased assets in the financial statements. The lease expired on 2012. The agency is in the process of acquiring copier equipment on a new lease.

State and Federal Grants

The costs and unexpended funds reflected in the accompanying financial statements relating to government funding are subject to audit by the respective grantors. The possible disallowance by the funding source of any time charged to the program or request for return of any unexpended funds cannot be determined at this time. No provision, for any liability that may result, has been made in the financial statements.

**RICHMOND-PERRINE OPTIMIST
CLUB, INC. OF MIAMI, FLORIDA**
**Supplemental Schedule of Financial Awards
For The Year Ended June 30, 2012**

	<u>Grant No.</u>	<u>From</u>	<u>To</u>	<u>Award/ Contract Amount</u>	<u>Expenditures</u>
Miami-Dade County					
Office of Management and Budget- Grant Coordination	N/A	10/01/11 10/01/10	09/30/12 09/30/11	208,587 208,588	262,893
Miami-Dade County Public School	N/A	07/01/11	06/30/12	340,793	321,250
United Way of Miami-Dade	N/A	07/01/11	06/30/12	103,640	103,640
The Children's Trust	1110/1123-1300 1010/1013-1300	08/01/11 08/01/10	07/31/12 07/31/11	705,596 797,921	665,881
TOTAL FINANCIAL AWARD AND EXPENDITURES				<u>\$2,365,125</u>	<u>\$1,353,664</u>

functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement, of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management in the accompanying management letter dated September 25, 2012.

This report is intended solely for the information and use of the Board of Directors and management of Richmond-Perrine Optimist Club, Inc., and awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida
September 25, 2012

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MANAGEMENT LETTER

To The Board of Directors
Richmond-Perrine Optimist Club, Inc
Miami, Florida.

In planning and performing our audit of the financial statements of Richmond-Perrine Optimist Club, Inc. of Miami, Florida for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the organization internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organizations internal control. Accordingly, we do not express an opinion on the effectiveness of the organization internal control.

However, during our audits we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated September 25, 2012 on the financial statements of Richmond Perrine Optimist Club, Inc. of Miami, Florida.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized in the following pages.

We wish to thank the management staff for their support and assistance during our audit.

Miami, Florida
September 25, 2012

Nzeribe & Company, PA
Nzeribe & Company, PA

CURRENT YEAR COMMENTS AND RECOMMENDATIONS

Financial Statement

Building Construction

The agency is still carrying the cost of the building in its financial statement at cost. This building has been completed and should be released to the County. This is a repeat finding.

Recommendation

The agency should obtain an updated lease agreement with the County General Services Administration (GSA) to include the building and its furnishing and remove the cost of the building from its assets and net assets

Management Response

The Agency concurs with this recommendation and has forwarded a second request to the County's Internal Services Department, formally the General Service Administration (GSA) to include the building and its furnishings in its current lease, so that the building can be removed from the agency's assets in its financial statements.

Compliance

(1) Case Record Maintenance

The agency is required to document services provided to the youths and to monitor the progress of the participants in the program. In the Perrine Crime Prevention Program testing, we noted that some participants' case records do not have post assessment test at the termination of the participants.

Also, in one of the files selected from the case load sheet, there was no indication of services provided and no activity recorded.

Recommendation

The case workers must complete post test assessment for all participants and update all case records to reflect services provided.

Management Response

In reference to the compliance issue as it pertains to post testing at the time of termination of the participant, two participants were terminated June 8, 2012. After a review of the files and speaking with counselor, these two participants will not be able to be contacted to complete the post test. One participant has moved out of the area and the other participant is in the custody of the Juvenile Justice System and under the supervision of DCF.

To ensure pre and post tests are completed on every participant, during the upcoming program year, pre-test will be administered within two weeks after acceptance into the program and a post-test will be administered in the month prior to the end of school and/or as soon as the counselor has knowledge of participants exiting the program.

In reference to the compliance issue as it pertains to no indication of services provided and no activity recorded, a review of the participant file referred to was completed by the social service director. This file is the file of the participant who was in the custody of the Juvenile Justice System and under the supervision of DCF. After speaking with the counselor and in an effort to provide meaningful services to this participant and to be of assistance to the parent, the counselor did not want to terminate the participant because of the ongoing problems the parent has had with the participant. The participant initially ran away and could not be found. After the parent

found out where the participant was, the participant then got involved with the Juvenile Justice System. This participant came back home and then was removed from the home by the Department of Children and Family. There is information documented in the participant's file. The documentation shows where many home visits were conducted by the counselor to speak with the parent and to hopefully come in contact with the participant. The participant was never at home at the time the visits were conducted, therefore, all conversations were being held with the parent.

Going forward, the agency will make sure that a more thorough update to all participant files will be completed on a more regular basis to ensure that participants are not kept on the caseload for unreasonable amounts of time, especially when services are not able to be rendered to a participant for obvious reasons as stated in this case.

PRIOR YEAR COMMENTS AND STATUS UPDATE

Compliance

(1) Case Record Maintenance

During our test of participants enrollee time sheet, we noted that in a period selected for testing, one participant's sign in/out sheet hours totaled 10 hours, but was incorrectly entered in the computer for 12 hours, resulting in overpayment. In some cases the participants' enrollee time sheets were not approved in the area noted for approval.

Recommendation

We recommend proper verification of the time sheets with the sign in sheets and that the required signatures must be in place to ensure accuracy.

Status Update

Agency is now in compliance

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Section 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: UNQUALIFIED

Internal control over financial reporting:

Material weakness (es) identified: _____ yes X no

Reportable condition (s) identified
Not considered to be material weakness? _____ yes X no

Noncompliance material to financial statements
Noted? _____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness (es) identified? _____ yes X no

Reportable condition (s) identified
Not considered to be material weakness? _____ yes X no

Type of auditors' report issued on compliance
For major programs: UNQUALIFIED

Any audit findings disclosed that are required to be
Reported in accordance with circular
A-133, Section 5.10(a)? _____ yes X no

Identification of Major programs:

Name of Federal Program or Cluster

Youth Training

Dollar threshold used to distinguish between
Type A and Type B programs: \$500,000

Auditee qualified as low-risk auditee? X yes _____ no

Section 11 – FINANCIAL STATEMENT FINDINGS

NO MATTERS WERE REPORTED

Section 111 – FEDERAL AWARDS FINDING AND QUESTIONED COSTS

NO MATTER WERE REPORTED