

LIBERTY'S PROMISE, INC.

**GRANT AUDIT
November 2015**

**OFFICE OF AUDITS AND INVESTIGATIONS
Prince George's County
Upper Marlboro, Maryland**



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

November 2015

The County Council and County Executive
of Prince George's County, Maryland

Council Resolution 51-1991, adopted June 25, 1991, requires the Office of Audits and Investigations to perform random financial audits of grants and transfer payments appropriated in the Non-Departmental section of the County's Approved Annual Current Expense Budget.

We have examined the books and records of

LIBERTY'S PROMISE, INC.,

for the period July 1, 2012, through June 30, 2013. Our examination included such tests of the accounting records and such other auditing procedures, as we considered necessary under the circumstances.

We noted no matters involving the Prince George's County grant to Liberty's Promise, Inc., that led us to believe that the County grant funds were used for other than their intended purpose.

This report, in our opinion, fulfills the requirements of Council Resolution 51-1991 to perform random financial audits of grants and transfer payments made pursuant to the Non-Departmental section of the Prince George's County, Maryland, Fiscal Year 2013 Approved Operating Budget.

A handwritten signature in blue ink, appearing to read "D.H. Van Dyke".

David H. Van Dyke, CPA
County Auditor

A handwritten signature in black ink, appearing to read "N. Beckwith MPA".

Natalie M. Beckwith, MPA
Auditor-In-Charge

Liberty's Promise, Inc.

The Prince George's County Government awarded Liberty's Promise, Inc. three grants totaling \$70,000 in fiscal year 2013. These awards were issued from September of 2012 through January of 2013. This funding was to be used expressly to support Liberty's Promise's civic engagement and internship programs. A summary of the grants awarded is as follows:

<u>Award Date</u>	<u>Grant Award Amount</u>
09/17/12	\$65,000
01/04/13	2,000
01/04/13	<u>3,000</u>
Total Amount Awarded	<u>\$ 70,000</u>

Liberty's Promise is an incorporated 501(c) (3) non-profit organization that has been in operation since 2005. The corporation receives most of its funding from grant awards and various contributions. Their core service mission is to equip immigrant youth with the skills needed to successfully assimilate into American culture and society. The youth that they service are between the ages of 15 and 21, and are from all ethnic groups. Liberty's Promise specifically operates two programs; an after school program that promotes civic engagement, and an internship program. The after school program meets twice a week during two 10 week sessions at various locations that include High Point and Parkdale high schools and its activities include college scholarship awareness and preparation, job interviewing techniques, and resume writing. The 8 week paid internship program serves as a summer job placement program and individuals are exposed to professional work environments located at Washington Adventist Hospital and various schools and law offices.

We examined the books and records maintained by Liberty's Promise and included tests of the accounting records and other auditing procedures, as we determined necessary.

Consideration was given to the fact that the records of the organization were reviewed and included in the scope of the financial audit conducted by Farmer & First, P.C., Independent Auditors for the periods ending December 31, 2012, and December 31, 2013, and no discrepancies or irregularities were disclosed. Our examination included a review of expenditures and supporting documentation to ensure that payment amounts were properly approved and corresponded to related invoices. We noted no instances that led us to believe that County grant funds were used for other than their intended purpose.

Liberty's Promise operates and reports on a calendar year, however our examination was conducted on a fiscal year basis. For report purposes, the attached Statement of Revenues and Expenditures, as audited by their independent auditors, will be presented on a calendar year consistent with Liberty's Promise's operations. The Statement of Revenues and Expenditures shows the activities of the organization for the periods ending December 31, 2012, and December 31, 2013. Liberty's Promise received County funding for calendar year 2012 and 2013 in the amount of \$65,000 and \$5,000, respectively.

LIBERTY'S PROMISE, INC.
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE PERIODS ENDING
DECEMBER 31, 2012 AND DECEMBER 31, 2013
(ACCRUAL BASIS)

	<u>2012</u>	<u>2013</u>
REVENUES:		
County Grant	\$ 65,000	\$ 5,000
Other Grants	489,538	391,650
Contributions	64,474	57,135
Interest and Other Income	538	452
Miscellaneous	-	901
Total Revenues	<u>\$ 619,550</u>	<u>\$ 455,138</u>
EXPENDITURES:		
Salaries & Wages	\$ 234,028	\$ 240,729
Payroll Taxes	18,136	18,637
Fringe Benefits	15,951	15,292
Civics Classes	76,450	56,295
New Futures Awards	38,323	53,642
Internship	69,700	49,606
Rent	32,560	31,781
Professional Fees	13,560	12,271
Travel	17,237	10,460
Office Expenses & Supplies	5,595	5,724
Telephone	1,991	4,641
Insurance	6,423	3,692
Depreciation	2,899	2,944
Internet & IT Expenses	2,203	2,560
Printing & Reproduction	785	2,218
Meetings	693	1,552
Payroll Processing Fee	1,228	1,532
Training	2,182	825
Postage & Shipping	1,002	688
Miscellaneous	792	2,460
Total Expenditures	<u>\$ 541,738</u>	<u>\$ 517,549</u>
Excess Revenue Over/(Under) Expenditures	<u><u>\$ 77,812</u></u>	<u><u>\$ (62,411)</u></u>