



Date: March 28, 2007
To: Mitchell Johnson, City Manager
From: Internal Audit Division
Subject: Greensboro Housing Coalition, Incorporated

The Internal Audit Division has completed our annual review of the Greensboro Housing Coalition, Incorporated in conjunction with a Programmatic Review by the Housing & Community Development Department for the 2005-2006 fiscal year. Attached you will find our review report; the programmatic report; the agency response; the departmental response and our replies to their responses. We feel that sufficient corrective actions have been implemented to our recommendations as we move forward. If you have any questions or need additional information, please let us know. Thanks.

A handwritten signature in black ink, appearing to read 'Len Lucas'.

Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Andy Scott, Director of Housing & Community Development



Date: March 21, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit
Subject: Greensboro Housing Coalition, Inc.

The Internal Audit Division has performed our yearly monitoring visit of the Greensboro Housing Coalition, Inc. which received an Administrative grant in the amount of \$20,000 and a Housing Information and Referral Services grant for \$30,000 from the City of Greensboro during the 2005 to 2006 grant year.

The Administrative grant for \$20,000 was used to provide operational and administrative expenses including salaries, taxes, benefits, education, office expense, program expenses, professional services and rent of the Greensboro Housing Coalition located at 122 N. Elm Street. Programs include: Housing Hotline; More than Just a Mortgage; Lead Paint outreach and education; Housing Search Assistance Program and counseling of homeowners facing foreclosure or needing repairs.

The Housing Information and Referral Services grant in the amount of \$30,000 was to provide operational support for the "Housing Hotline" salary, payroll taxes and insurance for \$27,000; and office supplies, telephone, postage, printing, mileage, rent parking and training expenses for \$3,000. Approximated 1,461 callers were assisted as the result of this grant.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the contracts and for assurance that program goals were achieved. Based on our review, it appears that the funds have been spent according to the terms of the contracts with the exception with the following findings:

FINDING:

1. The Agency requested \$23,533.08 on requisition # 1 Housing Hotline Grant but sent in documents in the amount of \$23,919.06 for a difference of \$385.98. However, the Department of Housing & Community Development (H&CD) changed the requisition to the correct amount.
2. The Agency requisitioned on requisition #1 Administrative Grant \$5,343.27 but H&CD added & paid \$6,203.87 but should only have paid \$5,340.29. H&CD calculated the telephone, bookkeeping & rent incorrectly for a difference of \$863.58.
3. The Agency requisitioned on requisition #2 Administrative Grant \$4,286.14 but H&CD added & paid \$5,402.71 for a difference of \$1,116.57.
4. The Agency requisitioned on requisition #4 Administrative Grant \$1,627.99 but H&CD added & paid \$1,652.99 for a difference of \$25.00.

RECOMMENDATION:

Agency should reconcile the requisition amount with the documents amount before sending their invoice to H&CD for payment. In talking with the Executive Director, she stated they are now reconciling the two amounts with an excel spreadsheet and sending it along with their invoice.

FINDING:

As per the Agency's audited financials for year ended June 30, 2006, we note the following changes in their financials from 2005 to 2006:

- a. Change in net assets decreased (\$47,802).
- b. Revenue decreased (\$221,373).
- c. Working Capital decreased (\$44,199).

RECOMMENDATION:

The Agency should explain how they plan to improve their financial position in the future.

We request a written signed response from the Greensboro Housing Coalition, Inc. and the Department of Housing & Community Development by April 4, 2007.

We would like to thank Ms. Beth McKee-Huger, Executive Director and the staff of the Greensboro Housing Coalition, Inc. for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-2821.

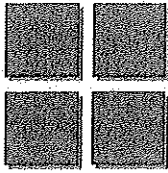


Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Beth McKee-Huger, Executive Director of the Greensboro Housing Coalition, Inc.



HCD

Department of Housing & Community Development

Date: March 16, 2007
To: Beth McKee-Huger, Director, Greensboro Housing Coalition
From: Michael Blair, City of Greensboro HCD
RE: FY06/07 Greensboro Housing Coalition Programmatic Evaluation

HCD and Internal Audit staff conducted an onsite visit at the Greensboro Housing Coalition office on February 28, 2007. HCD staff appreciates the time and assistance provided by Greensboro Housing Coalition staff.

Project Information:

The Greensboro Housing Coalition provides a wide range of housing counseling services. This includes the Housing Hotline, Homebuyer counseling (in English and Spanish), Lead Paint outreach and education, Housing Search Assistance Program, financial literacy classes, landlord education and counseling for homeowners facing foreclosure or serious home repairs. The agency was funded by the City \$30,000 for the Housing Hotline, and \$20,000 for Administration, in fiscal year 2005-2006 which was successfully completed June 30, 2006.

One important issue brought up during the staff visit in the previous review was the perceived unavailability of emergency shelter space during winter months. Staff was told during this review that the situation for single adults has improved while the situation has not improved for families with children.

Spending:

The full amount funded on the Housing Hotline was expended by February 2006. The Administration grant also had regularly submitted requisition requests and was successfully completed within the grant year.

Housing Hotline Measures:	FY04/05	FY05/06
Total Callers ^(HCD)	2,349	1,461
Total Individuals Served ^(HCD) (3000 in City Proposal)	4,391	3,600
Average Daily Callers ^(HCD)	6.5	4.4
Income Levels of Callers ^(HUD APR)		
Under 50% of Median	91%	92%
50-80% of Median	9%	8%
80-100% of Median	0.0%	.002%
Seeking Assistance for the Homeless ^(HUD APR)	92	108

Performance records were clear and understandable.

Greensboro Housing Coalition Board Composition:

15 members from the following categories are represented:

- 3 legal
- 1 education
- 1 finance
- 4 community volunteer
- 6 housing/real estate
- 7: W
- 8: M

The Greensboro Housing Coalition has fulfilled the HCD Board Training (3 members) requirement for the last three fiscal years (and remain current for FY07/08 funding). The board met 10 times in the last year which is a high level of activity.

Minutes are maintained and are understandable. They maintain several committees with the Finance Committee acting as the board Audit Committee and emergency issues are handled by the Executive Committee. The Board evaluates the executive annually.

HCD recommends the Duke Non-Profit Management program for board members of all agencies.

Financial Review:

No serious financials concerns however there has been a reduction over the last year in revenue, working capital and net assets. Internal Audit has requested a commentary as how this is being addressed by the Housing Coalition.

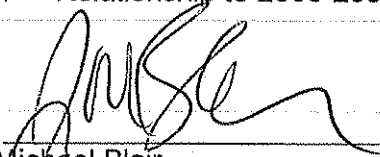
Appropriateness for City Funding: ELIGIBLE

(The above is HCD staff opinion only. An "Eligible" agency is not guaranteed funding only eligibility to participate in the Continuum of Care/GCHPC competitive process for City funding. The CRB is then responsible to make funding recommendations to City Council which makes the final decision for funding for an agency.)


Greensboro Housing Coalition programs are an eligible and effective use of Homelessness Prevention funding. It serves the housing needs of those citizens who need housing services the most and are at risk of homelessness.

There are no disqualifying financial concerns for future City funding and in addition there are no annual external audit issues that prevent future funding.

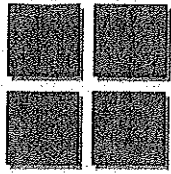
√ Relationship to 2005-2009 Consolidated Plan: Priority 1A-A and Priority 1C-A.



Michael Blair
Specialist Grants Compliance



Andy Scott
Director HCD



H&CD

Department of Housing & Community Development

MEMO

Date: March 20, 2007
To: Len Lucas, Internal Audit Director
From: Michael Blair, Specialist Grants Compliance
RE: FY06/07 HCD Review of GHC Audit Report

After review of the March 5th, 2007 Internal Audit report on the Greensboro Housing Coalition, for 2005-2006, HCD submits the following:

IA FINDING 1:

1. The Agency requested \$23,533.08 on requisition # 1 Housing Hotline Grant but sent in documents in the amount of \$23,919.06 for a difference of \$385.98. However, the Department of Housing & Community Development (H&CD) corrected the requisition to the correct amount.
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IA RECOMMENDATION 1:

Agency should reconcile the requisition amount with the documents amount before sending their invoice to H&CD for payment. In talking with the Executive Director, she stated they are now reconciling the two amounts with an excel spreadsheet and sending it along with their invoice.

- **HCD Reply to Finding/Recommendation 1:** #1: Concur. #2: Bookkeeping and rent were correct. The telephone calculation was incorrect. #3: Documentation of \$1,116.67 was submitted for salaries but not totaled by the GHC and was therefore corrected by HCD. #4: Documentation of \$25 was submitted for an industry membership but not totaled by the GHC and was corrected by HCD.

IA FINDING 2:

As per the Agency's audited financials for year ended June 30, 2006, we note the following changes in their financials from 2005 to 2006:

- a. Change in net assets decreased (\$47,802).
- b. Revenue decreased (\$221,373).
- c. Working Capital decreased (\$44,199).

IA RECOMMENDATION 2:

The Agency should explain how they plan to improve their financial position in the future.

- **HCD Reply to Finding/Recommendation 2:** Concur

Summary: HCD generally concurs with the Internal Audit report.



Date: March 21, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit Division
Subject: HCD Reply to IA Report-Greensboro Housing Coalition 2005-2006

Thank you for your reply of March 20, 2007. Internal Audit agrees with the Department of Housing & Community Development's response to IA's subject report dated December 21, 2007.

Handwritten signature of Mickey Kerans in black ink.

Mickey Kerans
Internal Auditor

Handwritten signature of Len Lucas in black ink.

Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development



Greensboro Housing Coalition

122 N. Elm St. Suite M-6 Greensboro NC 27401
336-691-9521 phone 336-691-9046 fax
www.greensborohousingcoalition.com

March 23, 2007

Andrew Scott
Housing & Community Development
City of Greensboro
P. O. Box 3216
Greensboro NC 27402

Dear Andy:

Thank you for the yearly monitoring visit of Mickey Kerans and Michael Blair. Both were very helpful as they reviewed our documentation of expenditures, deposits, and performance compliance.

In FY 05-06 Greensboro Housing Coalition lost two major multi-year contracts due to HUD no longer funding the two programs through which the Greensboro Housing Authority and Alliance for Healthy Homes contracted with us. Because these significant funding cuts were anticipated but we did not want abrupt drops in services available to the community, we worked very hard to seek other funding sources, cross-train staff, and to not refill positions when employees left. While the change in assets is substantial, it is a tribute to our management that there was not a larger change in comparison to the reduction in revenue—and that the community did not suffer unduly with the loss of services. In addition, we maintained a balance in the bank sufficient to cover at least one month (often more) throughout this period.

Our plan for improving our financial position is to continue to seek contracts and grants and to develop broader community support. Our Leadership Greensboro team from the Chamber of Commerce is reviewing our publications and presentations to be more effective in reaching new supporters; we are measuring the cost-savings resulting from positive outcomes in housing counseling; we have established a very successful relationship with Bank of America to pay program fees on behalf of homebuyers in our classes (we are not allowed to charge fees to participants); we are seeking membership in the United Way. We are extremely careful with expenditures to keep within the constraints of our revenues without cutting services to the community. In our current fiscal year-to-date, our revenues and expenses are closely matched.

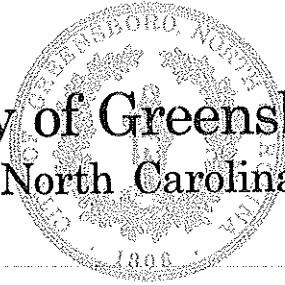
If you have further questions about our financial stability, please call me.

Sincerely,

Beth McKee-Huger
Executive Director

Cc: Ben Brown
Len Lucas ✓
Mickey Kerans

City of Greensboro
North Carolina



March 26, 2007

Ms. Beth McKee-Huger
Executive Director
Greensboro Housing Coalition
122 N. Elm Street, Suite M-6
Greensboro, NC 27401

Re: Greensboro Housing Coalition Grant Year-2005 to 2006

Dear Beth:

We are in receipt of your letter dated March 23, 2007 reference the City's Internal Audit report of the 2005 to 2006 Year. Your timely response to our report is appreciated. We have reviewed your letter and agree with responses and corrective measures.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Kerans".

Mickey Kerans
Internal Auditor

A handwritten signature in black ink, appearing to read "Len Lucas".

Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Andy Scott, Director of Housing & Community Development