

City of Greensboro

Date: January 16, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit Division
Subject: Jericho House, Incorporated, 2004-2005

The Internal Audit Division has performed our compliance review of the year ended December 31, 2005 of Jericho House, Incorporated, which received a loan from the City of Greensboro in the amount of \$62,000 in March of 2002. This loan helped in the purchase of the Jericho House for men in the Greensboro area. This house is located at 2824 Liberty Road.

This loan is non-interest bearing and repayment is not required as long as the house remains available as transitional housing for men. These men are provided room and board; transportation to jobs and/or interviews; budget planning and support to re-enter the workforce. The loan repayment will be deferred for five years. Beginning the sixth anniversary of the date of execution of the loan agreement the loan amount will be reduced by ten (10%) per cent per year. Final repayment is due March 14, 2017.

We were accompanied by Mr. Jim Teele of the department of Housing & Community Development, and he inspected this residence and some repairs were noted for the property. A copy of these issues were hand delivered to Mr. Jack Alford after our inspection to address before they escalate into costly problems.

We examined selected financial transactions maintained by the entity for compliance with the loan agreements. Based on our review, it appears that the funds have been spent according to the terms of the loan agreements with no exceptions noted.

We would like to thank Mr. Jack Alford, Treasurer of Jericho House, Incorporated for his 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
David Williams, President of Jericho House, Incorporated



Department of Housing & Community Development

Date: January 11, 2007
To: Jack Alford, Board of Directors, Jericho House
From: Michael Blair, City of Greensboro HCD
RE: *FY06/07 Jericho House Programmatic Evaluation*

Project Information:

Jericho House is a re-entry program for men recently, directly, released from the prison system. The overall goal is to assist these men in successful transition back into society. Six residents can participate in the 7 month re-entry program at any one time; the maximum stay is 10 months. There are no paid staff and board members act as the primary staffers.

The City provided CDBG Program funding of \$62,000 in March 2002 that helped in the purchase of the house. It is located at 2824 Liberty Road Greensboro, NC.

Contract Compliance:

Each room is rented for \$400/m (or 30% of earnings whichever is *less*) which is all inclusive room and board. This meets the contractual rent terms.

Move-In incomes of residents are by virtue of the nature of the program \$0. Since the program does not exceed 12 months which is mutually agreed upon by the participant and agency annual re-certifications are not possible.

The Tenant Selection Policy is clear and understandable. Jericho House has in its participant materials the option to engage in non-sectarian activities if desired. HCD recommended this change and appreciates its implementation.

Contractual affordability and income requirements are satisfactory.

Financial Review:

HCD is pleased that there are no financial issues at this time.

Condition:

The property is good condition according to HCD inspection staff. Please refer to the HCD inspection report for maintenance/repair specifics and report any completed maintenance/repairs to City Internal Audit.


- * Recommendation: Keyless entry door lock. The entry code could be changed periodically which should increase property security.

Occupancy:

Monthly occupancy information for FY05/06 (July 2006 through June 2006) will be requested for the Supportive Services review in spring 2007. Back-up documentation for this occupancy data is also required.



Michael Blair
Specialist Grant Compliance



Andy Scott
Director HCD