



DATE: June 16, 2022

TO: Michelle Kennedy, Director of Housing & Neighborhood Development

FROM: Internal Audit Division

SUBJECT: Youth Focus, Inc.-FY 2020-2021
(No Response Required)

The Internal Audit Division has performed our annual monitoring review of Youth Focus, Incorporated (“Agency”), which received Homelessness Prevention Services Grants for \$44,000 and \$23,216 from the City of Greensboro during the grant year of July 1, 2020 to June 30 2021.

The Emergency Shelter Operations Grant for \$44,000 (comprised of funds from the Community Development Block Grant designated as grant numbers **B-20-MC-37-0007**) was used to help provide necessary services in support of the “Act Together Crisis Care” program. This program provides emergency housing for male, female and gender nonconforming youth who have runaway, are experiencing a family crisis, are the victims of abuse or neglect, or are homeless for other reasons. Approximately 140 people were projected to be assisted during the grant year. There were 108 people actually served.

Grant funds were allocated to the following eligible costs categories for shelter operations:

Food	\$19,500.00
Utilities	\$7,000.00
Household Expenses	\$3,300.00
Facility Management	\$4,000.00
Communications	\$2,995.00
Motor Vehicle Expense	\$2,200.00
Recreation	\$1,900.00
Program/Office Supplies	\$1,205.00
Essential Personal Expenses	\$800.00
National Organization Dues	\$700.00
Copier Lease	\$400.00

A contract amendment was granted to extend the contract through September 30, 2021. There was a remaining balance of \$0.01 and the end of the contract period.

The Transitional Shelter Operations Grant for \$23,216 (comprised of funds from the City’s Nussbaum Housing Partnership Fund) was used to help provide necessary services in support of the “My Sister

Susan's House" program. This program offers transitional housing to pregnant women between ages 16 and 21. Approximately 12 in 6 households of youth were projected to be assisted during the grant year. There were 16 individuals in 8 households actually served.

Grant funds were allocated to the following eligible costs categories for shelter operations:

Food	\$6,316.00
Utilities	\$3,800.00
Communications	\$2,300.00
Facility Maintenance	\$2,200.00
Motor Vehicle Expenses	\$2,300.00
Personal Expenses	\$2,660.00
Household Expenses	\$2,800.00
Recreation	\$840.00

A contract amendment was granted to extend the contract through September 30, 2021. All grant funds were expended.

The consolidated financial statements for the year ended September 30, 2021 include the accounts of Alexander Youth Network ("AYN" or "Organization") and its wholly owned subsidiaries, The Relatives, Incorporated and Youth Focus, Incorporated. In our review of these statements, we noted the following disclosure that we would like to highlight:

Note 16 stated: "In April 2020, AYN received \$3,440,000 under the Paycheck Protection Program ("PPP") to help keep its employees employed during the COVID-19 pandemic. Under the program, the AYN applied for and was granted loan forgiveness in June 2021 and recognized \$3,440,000 as PPP loan forgiveness in the accompanying financial statements for the year ended September 30, 2021."

"In connection with the CARES Act, AYN received and recognized \$1,379,557 as Provider Relief Funds revenue in the accompanying consolidated statements of activities for the year ended September 30, 2021."

Regarding AYN's Management Letter dated March 13, 2021, the external auditors stated the following: "The Organization received and recorded several pledges in which the donors noted in their pledge documentation that such pledges would be fulfilled through donor advised funds. This resulted in an audit adjustment totaling \$1,480,753 to remove the related contributions revenue and receivable from the Organization's financial statements."

The auditors' recommendation stated: "The Organization should implement procedures to identify pledges that are intended to be fulfilled through a donor advised fund and to ensure that such pledges are communicated to the accounting function, so that such pledges are not recorded in the Organization's financial statements. Additionally, the Organization should also put procedures in

place to adequately identify cash contributions from donor advised funds, so that such contributions can be communicated to the accounting function for further research to determine if such cash payments are related to the fulfillment of a donor pledge. After such research is performed, the accounting function should be able to determine the appropriate accounting treatment.”

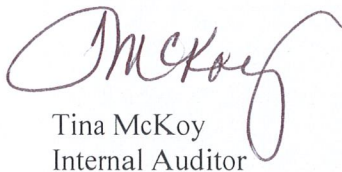
As its corrective action plan, the Chief Financial Officer stated that the Organization will implement procedures to review pledges for the existence of donor advised funds and ensure proper recording.

We examined selected financial documentation maintained by the Agency for compliance with the contract. Based on our review, it appears that the funds have been spent according to the terms of the contract. However, we noted the following:

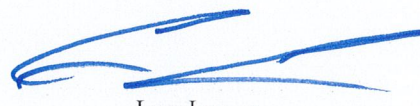
In Attachment C of the grant agreement (“City of Greensboro Monitoring”), it states: “Preparation and submission of a board approved independent and management letter (or letter stating there is no management letter) from the Agency’s Certified Public Accountant shall be provided to the City within 90 days of the Agency’s year end.” AYN’s audited financial statements and Management Letter for fiscal year ended September 30, 2021 were due to the City by December 31, 2021. The audit was completed on March 13, 2022.

The City has revised its policy on submission of financial reports from 90 to 180 days. Please be mindful of this change and submit documents timely. Non-compliance with executed agreements could affect future funding considerations for the Agency.

We would like to thank Ms. Sarah Roethlinger, Executive Director for Youth Focus, Incorporated and Ms. Julie Pool, Director of Finance & Business for Alexander Youth Network for providing the documentation needed to complete this review. If there are any questions or comments concerning the details of this review, we can be reached at 373-4528.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Chris Wilson, Deputy City Manager
Larry Davis, Assistant City Manager
Cyndi Blue, Assistant Director, Housing & Neighborhood Development
Caitlin Bowers, Community Development Analyst, Housing & Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Housing & Neighborhood Development
Elizabeth Danley, Homelessness Prevention Coordinator, Housing & Neighborhood Development
Sarah Roethlinger, Executive Director, Youth Focus, Incorporated



NEIGHBORHOOD DEVELOPMENT

November 10, 2021

Sarah Roethlinger, Executive Director
405 Parkway Suite A
Greensboro, NC 27401

Dear Sarah Roethlinger:

The City of Greensboro's Neighborhood Development Department is issuing this report based upon the monitoring function for the subrecipient agreement between Youth Focus, Inc. and the City of Greensboro to provide emergency shelter services at Act Together. The scope of the compliance monitoring addresses a desk review of cost allowability and program requirements.

The purpose of this monitoring is to determine compliance with agreement requirements; ESG match requirements; and CDBG rules, regulations, and funding requirements during fiscal year 2020-2021. On November 10, compliance monitoring of program requirements was completed. Enclosed you will find the City of Greensboro's Fiscal Year 2020-2021 compliance monitoring review for Act Together which documents the details of the review. There were no findings or concerns resulting from this monitoring review, therefore an official response is not required. If Youth Focus, Inc. would like to submit a response, the response should be submitted in writing to Charla Gaskins within 14 days of this letter.

Neighborhood Development staff appreciates the assistance that Ms. Sarah Roethlinger, Executive Director, provided during this desk review. As a reminder, all project files are to be maintained for a period of seven years from the final payment under the agreement.

Sincerely,

Charla Gaskins
Federal Compliance Coordinator

Michelle Kennedy
Director

Attachment

cc: Chris Wilson, Interim City Manager

Elizabeth Alverson, Homeless Prevention Program Coordinator, Neighborhood Development
Caitlin Bowers, Community Development Analyst, Neighborhood Development
Tina McKoy, Internal Auditor, Executive
Shilpa Philips, Board Chair, Youth Focus, Inc.



QUESTIONS	YES	NO	N/A	NOTES
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A. ELIGIBILITY					
1.	Was the activity classified as a presumed benefit? [24 CFR 570.208(a)(2)(i)(A)]	X			
2.	Did the emergency shelter meet the definition of emergency shelter? [24 CFR 576.2; 24 CFR 576.102]	X			
3.	Were all essential services provided only in an emergency shelter or to homeless individuals and families staying in emergency shelter? [24 CFR 576.102(a)]	X			
4.	Were activities consistent with the City's 2020-2024 Consolidated plan?	X			
5.	Was this activity classified under an eligible program component for ESG match?	X			
6.	Did an inspection report reflect that the shelter met the minimum safety and sanitation standards? [24 CFR 576.403(b); 24 CFR 576.500(j)]		X		Per the agreement, shelter inspections are required at the beginning of the fiscal year. Staff has taken action to complete the inspection for FY 21-22. The shelter passed a health inspection on 8/6/20. Repairs noted in the fire inspection was completed on 9/29/20. No findings issued.

B. COST ALLOWABILITY					
1.	Were expenditures necessary and reasonable for proper and efficient administration of the program? [24 CFR 85.22 and 2 CFR Part 225, Appendix B]	X			
2.	Were expenses eligible for the program? [2CFR Part 225, Appendix B]	X			

QUESTIONS		YES	NO	N/A	NOTES
3.	Were funds used for the costs of maintenance, rent, security, fuel, equipment, insurance, utilities, food, furnishings, supplies necessary for the operation of the emergency shelter, and, when no appropriate emergency shelter is available, for hotel or motel vouchers for homeless families or individuals? [24 CFR 576.102(a)(3); 24 CFR 576.500(k); 24 CFR 576.500(u)(2)]	X			
4.	Were all purchases less than \$5,000	X			
5.	Were all funds expended by June 30th?		X		A contract amendment was granted to extend the contract through September 30, 2021. There was a remaining balance of \$0.01 and the end of the contract.

C. SCOPE AND SERVICES RENDERED					
1.	Did the subrecipient meet or exceed the estimated number of people to be served?		X		An estimated 140 people would be served; 108 people were actually served. This was due to COVID quarantines which stopped intake for periods of time, diversion to other resources, extended stays and social distancing requirements. No findings or concerns.
2.	Did the subrecipient report program participant data in HMIS?	X			



NEIGHBORHOOD DEVELOPMENT

November 10, 2021

Sarah Roethlinger, Executive Director
405 Parkway Suite A
Greensboro, NC 27401

Dear Sarah Roethlinger:

The City of Greensboro's Neighborhood Development Department is issuing this report based upon the monitoring function for the subrecipient agreement between Youth Focus, Inc. and the City of Greensboro to provide shelter services at My Sister Susan's House. The scope of the compliance monitoring addresses a desk review of cost allowability and program requirements.

The purpose of this monitoring is to determine compliance with Nussbaum Housing Partnership funding requirements and agreement requirements during fiscal year 2020-2021. On November 10, compliance monitoring of program requirements was completed. Enclosed you will find the City of Greensboro's Fiscal Year 2020-2021 compliance monitoring review for My Sister Susan's House which documents the details of the review. There were no findings or concerns resulting from this monitoring review, therefore an official response is not required. If Youth Focus, Inc. would like to submit a response, the response should be submitted in writing to Charla Gaskins within 14 days of this letter.

Neighborhood Development staff appreciates the assistance that Ms. Sarah Roethlinger, Executive Director, provided during this desk review. As a reminder, all project files are to be maintained for a period of seven years from the final payment under the agreement.

Sincerely,

Charla Gaskins
Federal Compliance Coordinator

Michelle Kennedy
Director

Attachment

cc: Chris Wilson, Interim City Manager
Elizabeth Alverson, Homeless Prevention Program Coordinator, Neighborhood Development
Caitlin Bowers, Community Development Analyst, Neighborhood Development

Tina McKoy, Internal Auditor, Executive
Shilpa Philips, Board Chair, Youth Focus, Inc.

**City of Greensboro
Neighborhood Development**



COMPLIANCE DESK MONITORING REVIEW FOR SHELTERS

Subrecipient: Youth Focus - My Sister Susan's House
Funding Source: Nussbaum Housing Partnership
Reviewer: Charla Gaskins

Compliance for FY: 2020-2021
Desk Monitoring Completion Date: 11/10/21

QUESTIONS	YES	NO	N/A	NOTES
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A. ELIGIBILITY				
1.	Were activities consistent with the City's 2020-2024 Consolidated plan?	X		
2.	Did an inspection report reflect that the shelter met the minimum safety and sanitation standards?		X	Per the agreement, shelter inspections are required at the beginning of the fiscal year. Staff has taken action to complete the inspection for FY 21-22. The shelter passed a health inspection on 8/18/20. No finding issued.

B. COST ALLOWABILITY				
1.	Were expenditures necessary and reasonable for proper and efficient administration of the program?	X		
2.	Were expenses eligible for the program?	X		
3.	Were funds used for the costs of maintenance, rent, security, fuel, equipment, insurance, utilities, food, furnishings, supplies necessary for the operation of the shelter?	X		
4.	Were all purchases less than \$5,000?	X		
5.	Were all funds expended by June 30th?		X	A contract amendment was granted to extend the contract through September 30, 2021. All funds have been expended.

C. SCOPE AND SERVICES RENDERED				
1.	Did the subrecipient meet or exceed the estimated number of people to be served?	X		An estimated 12 individuals in 6 households were expected to be served; 16 individuals in 8 households were actually served.
2.	Did the subrecipient report program participant data in HMIS?	X		