



Genesee County Youth Corporation

Audited Financial Statements

September 30, 2019

*Prepared by Taylor & Morgan, P.C.*

2302 Stonebridge Drive, Bldg. D | Flint, MI 48532 | 810.230.8200

3150 Livernois Road, Suite 175 | Troy, MI 48083 | 248.688.9399

1213 W Morehead St, Fifth Floor | Charlotte, NC 28208 | 704.926.7570

## GENESEE COUNTY YOUTH CORPORATION

### TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-7
Supplemental Information	
Statement of Functional Expenses	8
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	9-10
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	11-12
Schedule of Expenditures of Federal Awards	13
Schedule of Findings and Questioned Costs	14-15
Summary Schedule of Prior Audit Findings	16

## INDEPENDENT AUDITOR'S REPORT

May 8, 2020

Board of Directors  
Genesee County Youth Corporation

### Report on the Financial Statements

We have audited the accompanying financial statements of Genesee County Youth Corporation (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Genesee County Youth Corporation as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **FLINT, MI OFFICE**

G-2302 STONEBRIDGE DR., BUILDING D,  
FLINT, MICHIGAN 48532  
OFFICE # (810) 230-8200 FAX # (810) 230-8203

#### **CHARLOTTE, NC OFFICE**

1213 W Morehead St Fifth Floor  
CHARLOTTE, NC 28208  
OFFICE # (704) 926-7570 FAX # (704) 247-6433

#### **TROY, MI OFFICE**

3150 LIVERNOIS RD., SUITE 175  
TROY, MI 48083  
OFFICE # (248) 688-9399 FAX # (248) 688-9397

## **Report on Summarized Comparative Information**

We have previously audited the Genesee County Youth Corporation's 2018 financial statements, and our report dated May 21, 2019 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis 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 underlying 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 statements and certain additional procedures, including comparing and reconciling such information directly to the underlying 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 statements as a whole.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 underlying 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 statements and certain additional procedures, including comparing and reconciling such information directly to the underlying 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 statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2020, on our consideration of Genesee County Youth Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Genesee County Youth Corporation's internal control over financial reporting and compliance.

Sincerely,

*Taylor & Morgan, P.C.*

Taylor & Morgan, P.C.  
Certified Public Accountants

## Financial Statements

**GENESEE COUNTY YOUTH CORPORATION**  
 Statement of Financial Position  
 September 30, 2019  
 With Summarized Information for September 30, 2018

	<u>September 30, 2019</u>	<u>September 30, 2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 358,695	\$ 360,216
Grants receivable	336,885	348,136
Prepaid expenses	7,000	10,123
Property and equipment		
Net of depreciation	<u>283,128</u>	<u>294,529</u>
Total assets	<u>\$ 985,708</u>	<u>\$ 1,013,004</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 7,600
Accrued payroll and related liabilities	<u>37,294</u>	<u>17,008</u>
Total liabilities	37,294	24,608
<b>NET ASSETS</b>		
Without donor restriction	<u>948,414</u>	<u>988,396</u>
Total net assets	<u>948,414</u>	<u>988,396</u>
Total liabilities and net assets	<u>\$ 985,708</u>	<u>\$ 1,013,004</u>

See accompanying notes to basic financial statements.

**GENESEE COUNTY YOUTH CORPORATION**  
 Statement of Activities  
 For the Year Ended September 30, 2019  
 With Summarized Information for September 30, 2018

	Without Donor Unrestricted	With Donor Restricted	Totals	
			September 30, 2019	September 30, 2018
<b>PUBLIC SUPPORT AND REVENUE</b>				
Support				
State of Michigan Contract	\$ -	\$ 573,283	\$ 573,283	\$ 550,339
County Probate Court	9,000	-	9,000	9,000
Community Development Block Grant	-	73,789	73,789	20,571
United Way	-	-	-	18,750
HUD - TLP Grant	-	115,045	115,045	111,021
HHS - TLP Grant	-	176,124	176,124	141,161
MSHDA Grants	-	23,872	23,872	-
Federal Basic Center Grant	-	200,000	200,000	200,000
ESG Grants	-	82,172	82,172	82,146
EFSP Grant	-	11,822	11,822	10,000
SOP Grant	-	169,063	169,063	169,495
GISD	-	-	-	284
	<u>9,000</u>	<u>1,425,170</u>	<u>1,434,170</u>	<u>1,312,767</u>
Revenue				
Interest	456	-	456	356
Contributions	33,817	-	33,817	9,482
Miscellaneous	5,546	-	5,546	9,720
	<u>39,819</u>	<u>-</u>	<u>39,819</u>	<u>19,558</u>
Total support and revenue	48,819	1,425,170	1,473,989	1,332,325
Net assets released from restrictions	<u>1,425,170</u>	<u>(1,425,170)</u>	<u>-</u>	<u>-</u>
	1,473,989	-	1,473,989	1,332,325
<b>EXPENSES</b>				
Program services	1,229,719	-	1,229,719	1,013,154
Supporting services	<u>284,252</u>	<u>-</u>	<u>284,252</u>	<u>233,868</u>
Total expenses	<u>1,513,971</u>	<u>-</u>	<u>1,513,971</u>	<u>1,247,022</u>
<b>Increase/(decrease) in net assets</b>	(39,982)	-	(39,982)	85,303
Net assets, beginning of year	<u>988,396</u>	<u>-</u>	<u>988,396</u>	<u>903,093</u>
Net assets, end of year	<u>\$ 948,414</u>	<u>\$ -</u>	<u>\$ 948,414</u>	<u>\$ 988,396</u>

See accompanying notes to basic financial statements.

**GENESEE COUNTY YOUTH CORPORATION**  
 Statement of Cash Flows  
 For the Year Ended September 30, 2019  
 With Summarized Information for September 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	September 30, 2019	September 30, 2018
Increase in net assets	\$ (39,982)	\$ 85,303
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	45,955	40,089
(Increase) decrease in operating assets	11,251	(103,765)
Grants receivable	3,123	-
Prepaid expenses	(7,600)	-
Increase (decrease) in operating liabilities	20,286	488
Accounts Payable	(3,123)	-
Accrued payroll and related expenses	(7,600)	-
<b>Net cash provided by operating activities</b>	<b>33,033</b>	<b>22,115</b>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(34,554)	(6,396)
<b>Net cash provided by investing activities</b>	<b>(34,554)</b>	<b>(6,396)</b>
Net increase (decrease) in cash	(1,521)	15,719
Beginning cash	360,216	344,497
<b>Ending cash</b>	<b>\$ 358,695</b>	<b>\$ 360,216</b>
Amount paid for Interest	\$ -	\$ -
Amount paid for Taxes	\$ -	\$ -

See accompanying notes to basic financial statements.

## Notes to Financial Statements

**GENESEE COUNTY YOUTH CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2019**

**1. Organization and summary of significant accounting policies**

**Organization:**

Genesee County Youth Corporation is a nonprofit organization providing services to runaway youth in the Greater Flint area. The accompanying financial statements are presented on the accrual basis of accounting.

**Tax Exempt Status:**

Genesee County Youth Corporation is recognized by the Internal Revenue Services as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from income taxation.

**Financial Statement Presentation:**

Genesee County Youth Corporation prepares its financial statements in accordance with FASB Accounting Standards Codification (ASC) 958-205 and subsections. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: : net assets with donor restrictions and net assets without donor restrictions. In addition, the Organization is required to present a statement of cash flows.

**Contributions:**

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows.

**Functional expenses and revenues:**

Genesee County Youth Corporation allocates its expenses and revenues on a functional basis among its various programs and support services. Expenses and revenues that can be identified with a specific program and support service are allocated directly to their natural classification. Other expenses and revenues that are common to several functions are allocated on various statistical bases.

**Cash and Cash Equivalents:**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management estimates.

**Grants Receivable:**

Grants receivable consist of amounts due primarily from granting agencies.

**2. Donated Services**

No amounts have been reflected in the financial statements for donated services since no objective basis is available to measure the value of such services.

**GENESEE COUNTY YOUTH CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2019**

**3. Building and Equipment, and Depreciation:**

A summary of building and equipment at September 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 225,770	\$ 203,267
Buildings	<u>716,069</u>	<u>704,019</u>
	941,839	907,286
Less: Accumulated depreciation	<u>(658,711)</u>	<u>(612,757)</u>
	<u>\$ 283,128</u>	<u>\$ 294,529</u>

Buildings and equipment are stated at cost. Depreciation is accumulated using the accelerated cost recovery method at annual rates, which are sufficient to amortize the gross carrying amounts over the estimated useful lives. The organization's policy is to capitalize all assets with a cost exceeding \$500.

Depreciation expense for the years ending September 30, 2019 and 2018 was \$45,955 and \$40,089, respectively.

**4. Cash and Investments**

At September 30, 2019, the carrying amount of deposits was \$358,695 and the bank balance was \$393,172. The difference was due to outstanding checks. Of the bank balance, \$250,000 was covered by Federal depository insurance, and \$158,695 was uninsured.

**5. Liquidity**

The following represents the Organization's financial assets at December 31, 2019 and 2018:

	2019	2018
Cash and savings accounts	\$ 358,695	\$ 360,216
Grants and other receivables	<u>336,885</u>	<u>348,136</u>
Total	695,580	708,352
Restricted by donors with time or purpose restrictions	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 695,580</u>	<u>\$ 708,352</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**6. Subsequent Events**

Management has reviewed subsequent events through May 8, 2020, which is the date the financial statements were available to be issued.

## Supplemental Information

**GENESEE COUNTY YOUTH CORPORATION**  
 Supplemental Information  
 Statement of Functional Expenses - For the Year Ended  
 September 30, 2019  
 With Summarized Information for September 30, 2018

	Program Services Services to Runaway Youth	Supporting Services Management and General	(Memorandum Only)	
			September 30,	
			2019 Total Expenses	2018 Total Expenses
Salaries	\$ 766,928	\$ 191,732	\$ 958,660	\$ 760,223
Employee benefits	83,446	20,861	104,307	113,430
Payroll taxes	<u>61,467</u>	<u>15,367</u>	<u>76,834</u>	<u>62,684</u>
 Total salaries and related expenses	 911,841	 227,960	 1,139,801	 936,337
Rent	15,503	3,876	19,379	11,710
Utilities	17,397	4,349	21,746	25,581
Maintenance	42,275	10,569	52,844	23,458
Home furnishings	9,623	2,406	12,029	11,806
Telephone	15,628	3,907	19,535	11,647
Postage	1,240	310	1,550	1,467
Printing	2,294	573	2,867	5,353
Office supplies	5,222	1,305	6,527	4,583
Copier supplies	3,077	769	3,846	1,938
Education supplies	3,893	-	3,893	530
Food and consumables	59,711	-	59,711	54,483
Travel/vehicle	36,019	9,005	45,024	48,818
Insurance	17,225	4,306	21,531	18,437
Medical supplies and services	1,031	258	1,289	298
Payroll services	3,724	931	4,655	3,960
Professional services	6,720	1,680	8,400	9,725
Administrative expenses	8,371	2,093	10,464	7,754
Training	3,056	764	3,820	6,378
Specific assistance	8,872	-	8,872	2,514
Shelter	-	-	-	603
Bus passes	1,323	-	1,323	6,801
Youth activities	5,307	-	5,307	5,800
Bad debt	-	-	-	-
Marketing	<u>13,603</u>	<u>-</u>	<u>13,603</u>	<u>6,952</u>
 Total operating expenses	 <u>281,114</u>	 <u>47,101</u>	 <u>328,215</u>	 <u>270,596</u>
 Total expenses before depreciation	 <u>1,192,955</u>	 <u>275,061</u>	 <u>1,468,016</u>	 <u>1,206,933</u>
 Depreciation	 <u>36,764</u>	 <u>9,191</u>	 <u>45,955</u>	 <u>40,089</u>
 Total expenses	 <u>\$ 1,229,719</u>	 <u>\$ 284,252</u>	 <u>\$ 1,513,971</u>	 <u>\$ 1,247,022</u>

**Uniform Guidance Information**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

May 8, 2020

To the Board of Directors  
Genesee County Youth Corporation  
Flint, MI

We have audited, in accordance with the 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, the financial statements of Genesee County Youth Corporation (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 8, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Genesee County Youth Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Genesee County Youth Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Genesee County Youth Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Genesee County Youth Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**FLINT, MI OFFICE**  
G-2302 STONEBRIDGE DR., BUILDING D,  
FLINT, MICHIGAN 48532  
OFFICE # (810) 230-8200 FAX # (810) 230-8203

**CHARLOTTE, NC OFFICE**  
1213 W Morehead St Fifth Floor  
CHARLOTTE, NC 28208  
OFFICE # (704) 926-7570 FAX # (704) 247-6433

**TROY, MI OFFICE**  
3150 LIVERNOIS RD., SUITE 175  
TROY, MI 48083  
OFFICE # (248) 688-9399 FAX # (248) 688-9397

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance.

Accordingly, this communication is not suitable for any other purpose.

*Taylor & Morgan, P.C.*

TAYLOR & MORGAN, P.C.  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

May 8, 2020

To the Board of Directors  
Genesee County Youth Corporation  
Flint, MI

**Report on Compliance for Each Major Federal Program**

We have audited Genesee County Youth Organization's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Genesee County Youth Organization's major federal programs for the year ended September 30, 2019. Genesee County Youth Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Genesee County Youth Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Genesee County Youth Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Genesee County Youth Organization's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Genesee County Youth Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

**Report on Internal Control Over Compliance**

Management of Genesee County Youth Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In

**FLINT, MI OFFICE**  
G-2302 STONEBRIDGE DR., BUILDING D,  
FLINT, MICHIGAN 48532  
OFFICE # (810) 230-8200 FAX # (810) 230-8203

**CHARLOTTE, NC OFFICE**  
1213 W Morehead St Fifth Floor  
CHARLOTTE, NC 28208  
OFFICE # (704) 926-7570 FAX # (704) 247-6433

**TROY, MI OFFICE**  
3150 LIVERNOIS RD., SUITE 175  
TROY, MI 48083  
OFFICE # (248) 688-9399 FAX # (248) 688-9397

planning and performing our audit of compliance, we considered Genesee County Youth Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Genesee County Youth Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Taylor & Morgan, P.C.*

TAYLOR & MORGAN, P.C.  
Certified Public Accountants

**GENESEE COUNTY YOUTH CORPORATION**

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title		Federal CFDA Number	Paid to Subrecipients	Current Year Expenditures
<u>U.S. Department of Health and Human Services</u>				
Runaway Homeless Youth 2018/19	90CY 6765-03-00	93.623	\$ -	\$ 200,000
			_____ -	200,000
Street Outreach Program 2018/19	90YO 2286-01-00	93.557	-	169,063
			_____ -	169,063
Transitional Living 2018/19	90CX 7098-01-00	93.550	-	176,125
			_____ -	176,125
Total Direct Funding			-	545,188
Passed through Michigan Dept. of Human Services				
Temporary Assistance for Needy Families 2018/19	HYR13-25001 2	93.558	-	320,398
Social Services Block Grant 2018/19	HYR13-25001 2	93.667	_____ -	173,086
Total Passed Through Michigan Dept. of Human Services			_____ -	493,484
Total Department of Health and Human Services			-	1,038,672
<u>U.S. Department of Housing and Urban Development</u>				
Passed through City of Flint				
Emergency Shelter Grant 2018/19	18-088	14.231	-	21,848
Community Development Block Grant 2017/18	17-076	14.218	-	28,149
2018/19	18-063	14.218	_____ -	44,861
Total passed through City of Flint			-	94,858
Passed through Metro Housing				
Supportive Housing Program 2018/19	MIO 144L5F051407	14.235	-	115,045
Total Passed Through Metro Housing			_____ -	115,045
Passed through Genesee County				
Emergency Shelter Grant 2018/19	18-149	14.231	-	27,349
Total Passed through Genesee County			_____ -	27,349
Total U.S. Department of Housing and Urban Development			-	237,252
<u>U.S. Department of Homeland Security</u>				
Passed through United Way				
Emergency Food and Shelter Nat. Board Program 2018/19	468400-035	97.024	-	6,822
Total Passed through United Way			_____ -	6,822
Total U.S. Department of Homeland Security			_____ -	6,822
<b><u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u></b>		\$ _____ -	\$ _____ -	\$ 1,282,746

**GENESEE COUNTY YOUTH CORPORATION**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2019

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Audit findings required to be reported in accordance with the Uniform Guidance?	No

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.557	<i>Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth</i>
93.550	<i>Transitional Living for Homeless Youth</i>
93.623	<i>Basic Center Program</i>

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**Section 2-Financial Statement Findings**

*See page 15-16*

**Section 3-Federal Award Findings and Questioned Costs**

*See page 15-16*

**GENESEE COUNTY YOUTH CORPORATION**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2019

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

**GENESEE COUNTY YOUTH CORPORATION**  
Summary Schedule of Prior Audit Findings  
For the Year Ended September 30, 2019

Findings related to the financial statements reported in accordance with Government Auditing Standards:

### **Finding 2018-1 Material Audit Adjustment Required to Grants Receivable and Grant Revenue**

### **Status at September 30, 2019**

During our previous year audit, we found that The Organization's closing procedures at month and year end did not include a reconciliation of grant revenue and receivables. As a result, the year-end trial balance did not include significant amounts of grant accounts receivable, necessitating a material audit adjustment to correct understated receivable and revenue accounts. During our audit of the current year, we found that new closing procedures had been adopted and proper grant revenue and recording grant receivables had occurred as a result. As a result, we consider this matter resolved.

Findings related to the federal awards and questioned costs reported in accordance with the Uniform Guidance:

**Finding 2018-2** The organization's written internal control policies and procedures do not meet the requirements of Uniform Guidance 2CFR 200.

## **Status at September 30, 2019**

During our previous year audit, we found The Organization's written internal control policies and procedures do not meet the requirements of Uniform Guidance 2CFR 200. Specifically, written policies should exist for procurement, allow ability of costs charged to federal programs, payments, compensation, suspension and disbarment, internal controls, conflict of interest, travel, and method of technical evaluations. During our audit of the current year, we reviewed The Organization's updated policies manual which included the aforementioned policies. As a result, we consider this matter resolved.