



Genesee County Youth Corporation

Audited Financial Statements

September 30, 2021

Prepared by Taylor & Morgan, P.C.

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GENESEE COUNTY YOUTH CORPORATION

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INDEPENDENT AUDITOR'S REPORT

March 20, 2022

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, 2021, 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, 2021, 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.

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Report on Summarized Comparative Information

We have previously audited the Genesee County Youth Corporation's 2020 financial statements, and our report dated July 20, 2021, 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, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 March 20, 2022, 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

Statements of Financial Position

September 30, 2021 and 2020

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
ASSETS		
Cash and cash equivalents	\$ 349,587	\$ 273,898
Grants receivable	263,995	317,594
Deposits	1,000	44,148
Prepaid expenses	1,932	8,000
Property and equipment -		
Net of depreciation	<u>275,479</u>	<u>315,607</u>
Total assets	<u>\$ 891,993</u>	<u>\$ 959,247</u>
LIABILITIES		
Accrued payroll and related liabilities	\$ 26,794	\$ 44,148
Deferred revenue	<u>17,539</u>	<u>-</u>
Total liabilities	<u>44,333</u>	<u>44,148</u>
NET ASSETS		
Without donor restrictions	<u>847,660</u>	<u>915,099</u>
Total net assets	<u>847,660</u>	<u>915,099</u>
Total liabilities and net assets	<u>\$ 891,993</u>	<u>\$ 959,247</u>

See accompanying notes to basic financial statements.

GENESEE COUNTY YOUTH CORPORATION
 Statement of Activities
 For the Year Ended September 30, 2021
 With Summarized Information for the Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals	
			September 30, 2021	September 30, 2020
PUBLIC SUPPORT AND REVENUE				
Support				
State of Michigan Contract	\$ -	\$ 656,311	\$ 656,311	\$ 615,052
County Probate Court	4,720	-	4,720	7,050
Community Development Block Grant	-	9,975	9,975	52,640
HUD - TLP Grant	-	140,479	140,479	154,359
HUD - SOP Grant	-	70,616	70,616	-
HUD - RRH Grant	-	150,264	150,264	11,585
HHS - TLP Grant	-	194,726	194,726	194,926
MSHDA Grants	-	22,856	22,856	22,856
Federal Basic Center Grant	-	200,000	200,000	200,000
ESG Grants	-	135,197	135,197	67,871
EFSP Grant	-	8,961	8,961	1,100
SOP Grant	-	-	-	235,280
Foundation Grants	-	25,000	25,000	25,000
Grants - COVID 19	-	-	-	107,579
	4,720	1,614,385	1,619,105	1,695,298
Revenue				
Interest	74	-	74	351
Contributions	20,892	-	20,892	9,401
Miscellaneous	-	-	-	34,856
	20,966	-	20,966	44,608
Total support and revenue	25,686	1,614,385	1,640,071	1,739,906
Net assets released from restrictions	1,614,385	(1,614,385)	-	-
	1,640,071	-	1,640,071	1,739,906
EXPENSES				
Program services	1,419,920	-	1,419,920	1,457,121
Supporting services	287,590	-	287,590	316,100
Total expenses	1,707,510	-	1,707,510	1,773,221
Increase/(decrease) in net assets	(67,439)	-	(67,439)	(33,315)
Net assets, beginning of year	915,099	-	915,099	948,414
Net assets, end of year	\$ 847,660	\$ -	\$ 847,660	\$ 915,099

See accompanying notes to basic financial statements.

GENESEE COUNTY YOUTH CORPORATION
 Statement of Functional Expenses
 For the Year Ended September 30, 2021
 With Summarized Information for the Year Ended September 30, 2020

	Program Services Services to Runaway Youth	Supporting Services Management and General	September 30,	
			2021 Total Expenses	2020 Total Expenses
Salaries	\$ 768,478	\$ 192,120	\$ 960,598	\$ 1,046,985
Employee benefits	104,800	26,200	131,000	114,784
Payroll taxes	<u>62,599</u>	<u>15,650</u>	<u>78,249</u>	<u>79,412</u>
 Total salaries and related expenses	 935,877	 233,970	 1,169,847	 1,241,181
Rent	21,832	380	22,212	19,271
Utilities	17,654	4,414	22,068	23,798
Maintenance	52,915	13,229	66,144	53,572
Home furnishings	7,161	-	7,161	27,991
Telephone and internet	26,363	6,591	32,954	36,309
Postage	609	152	761	501
Printing	3,256	814	4,070	6,790
Office supplies	9,522	2,381	11,903	19,046
Copier supplies	555	139	694	1,308
Education supplies	4,164	-	4,164	2,393
Food and consumables	86,005	-	86,005	80,694
Fundraising	-	-	-	1,834
Travel/vehicle	17,838	4,459	22,297	47,364
Insurance	19,479	4,870	24,349	24,223
Medical supplies and services	5,764	-	5,764	22,746
Payroll services	3,214	804	4,018	6,308
Professional services	8,160	2,040	10,200	10,775
Administrative expenses	5,618	1,405	7,023	13,052
Training	4,398	1,099	5,497	10,294
Specific assistance	128,709	-	128,709	31,367
Bus passes	2,002	-	2,002	8,697
Youth activities	6,601	-	6,601	20,432
Marketing	<u>8,851</u>	<u>-</u>	<u>8,851</u>	<u>11,111</u>
 Total operating expenses	 <u>440,670</u>	 <u>42,777</u>	 <u>483,447</u>	 <u>479,876</u>
 Total expenses before depreciation	 1,376,547	 276,747	 1,653,294	 1,721,057
 Depreciation	 <u>43,373</u>	 <u>10,843</u>	 <u>54,216</u>	 <u>52,164</u>
 Total expenses	 <u>\$ 1,419,920</u>	 <u>\$ 287,590</u>	 <u>\$ 1,707,510</u>	 <u>\$ 1,773,221</u>

See accompanying notes to basic financial statements.

GENESEE COUNTY YOUTH CORPORATION
 Statements of Cash Flows
 For the Years Ended September 30, 2021 and 2020

CASH FLOWS FROM OPERATING ACTIVITIES	September 30,		September 30,	
	<u>2021</u>		<u>2020</u>	
Increase (decrease) in net assets	\$	(67,439)	\$	(33,315)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:				
Depreciation		54,216		52,164
(Increase) decrease in operating assets				
Grants receivable		53,599		19,291
Prepaid expenses		6,068		(1,000)
Deposits		43,148		(44,148)
Increase (decrease) in operating liabilities				
Deferred revenue		17,539		-
Accrued payroll and related expenses		(17,354)		6,854
Net cash provided by (used in) operating activities		89,777		(154)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property and equipment		(14,088)		(84,643)
Net cash provided by (used in) investing activities		(14,088)		(84,643)
Net increase (decrease) in cash		75,689		(84,797)
Beginning cash		273,898		358,695
Ending cash	\$	349,587	\$	273,898
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, 2021

1. Organization and summary of significant accounting policies

Organization:

Genesee County Youth Corporation (the "Organization") is a nonprofit organization providing services to runaway youth in the Greater Flint area and receives a majority of its funding from government contracts and grants.

Method of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

Tax Exempt Status:

The Organization has been classified as an other-than-private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Code requires that tax-exempt organizations must comply with federal tax law to maintain tax-exempt status and avoid penalties. The Organization is subject to a tax on income from any unrelated business (the Organization has no unrelated business income) as defined by Section 509(a) (1) of the Code.

The Organization evaluates all significant tax positions under a more likely than not threshold as required by U.S. generally accepted accounting principles. As of September 30, 2021, the Organization does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization's tax returns are subject to examination by the appropriate taxing jurisdictions. At September 30, 2021, the Organization's federal tax returns generally remain open for the last three years.

Financial Statement Presentation:

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to grantor or donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some grantor or donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. The organization does not have any net assets with donor or grantor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions on the statement of activity. When a restriction expires, the corresponding net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions.

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.

GENESEE COUNTY YOUTH CORPORATION
Notes to Financial Statements
September 30, 2021

1. Organization and summary of significant accounting policies (continued)

Functional expenses:

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly to their natural classification. Other expenses that are common to both program services and supporting services 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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

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.

3. Building and Equipment, and Depreciation:

A summary of building and equipment at September 30, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 233,926	\$ 225,770
Buildings	<u>806,645</u>	<u>800,713</u>
	<u>1,040,571</u>	<u>1,026,483</u>
Less: Accumulated depreciation	<u>(765,092)</u>	<u>(710,876)</u>
	<u>\$ 275,479</u>	<u>\$ 315,607</u>

Buildings and equipment are stated at cost. Depreciation is accumulated 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, 2021 and 2020 was \$54,216 and \$52,164, respectively.

4. Cash and Cash Equivalents

At September 30, 2021, the carrying amount of deposits was \$349,587 and the bank balance was \$382,628. The difference was due to outstanding checks. Of the bank balance, \$250,000 was covered by Federal depository insurance, and \$132,627 was uninsured and uncollateralized.

5. Liquidity

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.

GENESEE COUNTY YOUTH CORPORATION
Notes to Financial Statements
September 30, 2021

5. Liquidity (continued)

The following represents the Organization's financial assets at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and savings accounts	\$ 349,587	\$ 273,898
Grants and other receivables	<u>263.995</u>	<u>317,594</u>
Total	613,582	591.492
Restricted by donors with time or purpose restrictions	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 613,582</u>	<u>\$ 591,492</u>

6. Contingencies

The Organization has received federal and state grants for specific purposes. These grants are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grant, management believes that any required reimbursements would not be material.

7. Subsequent Events

Management has reviewed subsequent events through March 20, 2022, which is the date the financial statements were available to be issued.

Subsequent to the date of the financial statements, the outbreak of the novel strain of coronavirus (COVID-19) continues to impact a large range of industries and non-profit entities. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. Impact on the Organization cannot be predicted, and the extent to which COVID-19 may impact the financial condition or results of operations of the Organization is uncertain at this time.

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**

March 20, 2022

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, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2022.

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 instances of noncompliance or other matters

that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-001.

Genesee County Youth Corporation's Response to Findings

Genesee County Youth Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Genesee County Youth Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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**

March 20, 2022

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 Corporation'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 Corporation's major federal programs for the year ended September 30, 2021. Genesee County Youth Corporation'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 Corporation'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 Corporation'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 Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Genesee County Youth Corporation 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, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001. Our opinion on the major federal programs is not modified with respect to this matter.

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The Genesee County Youth Corporation's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Genesee County Youth Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Management of Genesee County Youth Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Genesee County Youth Corporation'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 Corporation'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. We did however identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be significant deficiency.

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, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title/Grant Identifier</u>		<u>Federal CFDA Number</u>	<u>Current Year Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Basic Center Grant 2020/21	90CY 7025-03-00	93.623	200,000
Transitional Living for Homeless Youth 2020/21	90CX7098-04-00	93.550	<u>194,726</u>
Total Direct Funding			394,726
Passed through Michigan Department of Health and Human Services:			
Social Services Block Grant			
2020/21	E2021873-001	93.667	91,094
2020/21	E202112874-001	93.667	162,110
Temporary Assistance to Needy Families (TANF) 2020/21	E20212873-001	93.558	<u>291,499</u>
Total passed through Michigan Department of Health and Human Services			544,703
Total U.S. Department of Health and Human Services			<u>939,429</u>
<u>U.S. Department of Housing and Urban Development</u>			
Continuum of Care			
2019/20	MI0147L5F051911	14.267	38,259
2020/21	M10147L5F052012	14.267	32,356
2019/20	MI01445F05170912	14.267	90,664
2019/20	MI01445F05170811	14.267	53,530
2020/21	MI0670L5F051900	14.267	<u>161,848</u>
Total Direct Funding			376,657
Passed through Michigan State Housing Development Authority			
Emergency Solutions Grant			
2020/22	HML-2020-9963-C19 (COVID 19)	14.231	21,602
2020/21	HML-2021-Catholic-9963-ESM	14.231	<u>23,438</u>
Total passed through Michigan State Housing Development Authority			45,040
Passed through City of Flint:			
Emergency Solutions Grant			
2019/20	19-079	14.231	34,076
2020/21	21-090	14.231	36,126
2020/21	21-090 COVID	14.231	<u>1,001</u>
Total passed through City of Flint			71,203
Passed through Genesee County			
Emergency Solutions Grant			
2020/21	E-20-UC-26-0001	14.231	31,772
2020/21	E-20-UW-26-0001	14.231	<u>15,499</u>
Community Development Block Grant 2020/21	B-20-UW-26-0001	14.218	<u>9,974</u>
Total passed through Genesee County			57,245
Total U.S. Department of Housing and Urban Development			<u>550,145</u>
Passed through the United Way National Board:			
Federal Emergency Management Agency			
2020/21	Phase 37	97.024	12,633
2020/21	Phase Cares	97.024	<u>6,148</u>
Total passed through United Way National Board			18,781
<u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u>		\$	<u>1,508,355</u>

GENESEE COUNTY YOUTH CORPORATION
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

- 1) The Schedule of Expenditures of Federal Awards has been prepared under the accrual basis of accounting.
- 2) The Organization has elected to not use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

GENESEE COUNTY YOUTH CORPORATION
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

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?	Yes

Federal Awards

Internal control over major programs:

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

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 Yes

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.558	<i>Temporary Assistance for Needy Families</i>
93.667	<i>Social Services Block Grant</i>

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

Auditee qualified as low-risk auditee? Yes

GENESEE COUNTY YOUTH CORPORATION
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

2021-001	Cash Management
Finding Type	Material non compliance; significant deficiency in internal controls over compliance
Program Names	Emergency Solutions Grant (CFDA # 14.231)
Criteria	The Uniform Guidance requires the Organization to request federal grant reimbursements from pass through grantors when disbursement for eligible grant expenses is soon to occur or has already occurred.
Condition	The Organization drew down grant monies from a pass through entity in advance of when the cash was disbursed for eligible grant expenses. A total of \$54,085 was requested for reimbursement and recorded as a grant receivable at September 30, 2021, but was not spent timely on eligible grant costs.
Cause	Drawdowns were not disbursed timely as supply chain and licensing and permit approvals were delayed mainly due to COVID related issues. A total of \$44,585 was drawn down to purchase a vehicle that went on back order due to supply chain issues. The vehicle vendor would not accept full payment for a vehicle on back order. Additionally, \$9,500 was drawn down to pay for eligible building renovations but not expended timely due to a delay in obtaining necessary licensing and permit approvals that were not anticipated when the renovation project was initiated.
Effect	Cash was drawn down from the pass through entity prior to timely disbursement for eligible expenses.
Questioned Costs	None
Recommendation	We recommend the Organization adopt policies and procedures to ensure that federal grant drawdowns are not requested from pass through entities until cash is spent, or soon to be spent, on eligible expenses.
View of Responsible Official	<p>In the circumstance of the untimely disbursement of the eligible drawdown which occurred creating this deficiency, the agency had little control over the conditions that caused delay. The vehicle market plummeted at the time of this disbursement. The vehicle was ordered and expected within a timely manner, but supply chain issues delayed the completion of the order for several months. Eventually the order was modified, and a vehicle was provided, and the disbursement was enacted.</p> <p>In the circumstance of the renovations, the vendor was chosen, and the down payment was disbursed. The vendor was delayed due to the grantor's requirements under HUD for several conditions to be completed prior to beginning the project. Those conditions proved to be most difficult to complete in a timely manner due to COVID restrictions on additional contractors. The vendor was ready to complete the project and was unable to do so until the conditions were met.</p>

GENESEE COUNTY YOUTH CORPORATION
Summary Schedule of Prior Audit Findings
September 30, 2021

2020-001 Procurement

As of September 30, 2020, the Organization had not adopted policies to identify vendors or individuals who have been disbarred or suspended from participating in federal award programs prior to contracting for goods or services. During the year ended September 30, 2021 the Organization adopted policies to ensure that goods or services are not purchased from vendors or individuals suspended or disbarred from contracting with the federal government. The finding is considered closed.

March 20, 2022

Board of Directors
Genesee County Youth Corporation
Flint, MI

We have audited the financial statements of Genesee County Youth Corporation, for the year ended September 30, 2021, and have issued our report thereon dated March 20, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Genesee County Youth Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates can be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements or the disclosures for Genesee County Youth Corporation.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The audit did not identify any uncorrected adjustments of the financial statements.

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Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 20, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors of Genesee County Youth Corporation. and its management, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Taylor & Morgan, P.C.

Taylor & Morgan, P.C.