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**Community Development Block Grant Audit
Of
YMCA of Metropolitan Fort Worth**

September 11, 2015



**City of Fort Worth
Department of Internal Audit**

1000 Throckmorton Street
Fort Worth, Texas 76102

Audit Staff

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A Community Development Block Grant Audit of the YMCA of Metropolitan Fort Worth was conducted as a part of the Department of Internal Audit's Fiscal Year 2015 Annual Audit Plan.

Audit Objectives

The objectives of this audit were to determine whether:

- the YMCA of Metropolitan Fort Worth complied with applicable federal regulations and City contract requirements, and
- expenditures charged against the Housing and Urban Development (HUD) grant were eligible, allocable, and reasonable.

Audit Scope

Our audit included a review of activity for the period October 1, 2014 through April 30, 2015.

Executive Summary

As part of our FY2015 Audit Plan, the Department of Internal Audit conducted a Community Development Block Grant (CDBG) audit of the Young Men's Christian Association (YMCA) of Metropolitan Fort Worth childcare program.

According to the contract between the City of Fort Worth and the YMCA (City Secretary Contract No. 46161), the YMCA was to receive \$50,000.00 in CDBG funds to provide childcare scholarships to 50 unduplicated children of income eligible Fort Worth families. Childcare services were to be provided at the following locations at the times listed below on Monday through Friday.

- McDonald-Southwest YMCA: 2801 Miller Avenue, Fort Worth, TX 76105 (6:30 a.m. – 6:00 p.m.)
- Amaka Child Development Center: 1501 Stephenson Street, Fort Worth, TX 76102 (7:00 a.m. – 6:00 p.m.)
- Ella McFadden Child Development Center: 512 Lamar Street, Fort Worth, TX 76102 (7:00 a.m. – 6:00 p.m.)

We concluded that the YMCA met the program performance milestones specified (as of the quarter ended March 2015) for unduplicated clients served and budgeted expenditures, as noted in the following chart.

Milestone Category	Performance Milestone	Actual Performance
Childcare services provided to unduplicated clients	27	34
CDBG funds expended on eligible expenses	\$27,000.00	\$32,563.10

The Department of Internal Audit also concluded that expenditures charged against the grant were eligible, allocable, and reasonable.

Based on audit work performed, the YMCA of Metropolitan Fort Worth complied with federal regulations related to the agency's financial management system and internal controls for ensuring costs charged to the grant were allowable.



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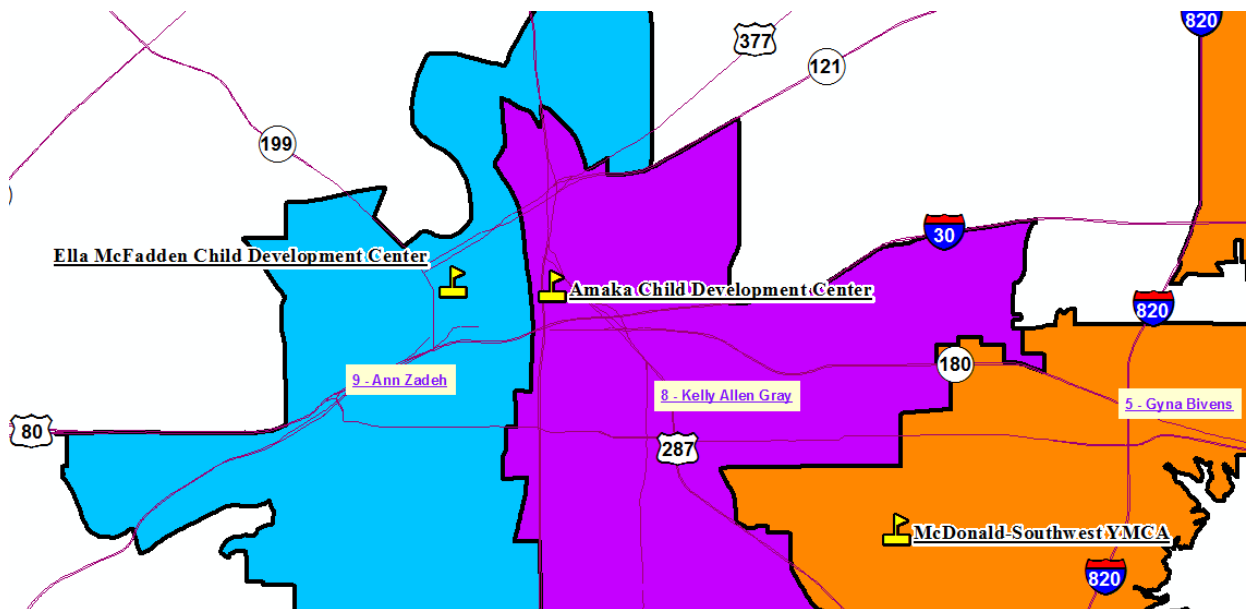
Background

The City of Fort Worth receives an annual allocation of federal grant funds from the United States Department of Housing and Urban Development for Community Development Block Grant (CDBG) programs. These programs are administered by the City's Neighborhood Development Services Department.

CDBG is a flexible program that provides communities with resources to address a wide range of unique community development needs. CDBG funds must be used for activities that benefit low and moderate income families and must meet one of the following national objectives:

- benefit low and moderate income persons;
- prevention, or elimination of slums or blight; or
- address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

According to the executed contract between the City of Fort Worth and YMCA of Metropolitan Fort Worth, YMCA of Metropolitan Fort Worth was awarded \$50,000.00 in CDBG funds. These funds were authorized to provide scholarships to support eligible Fort Worth children who attend the following three YMCA of Metropolitan Fort Worth child care locations: Amaka, Ella Mcfadden, and McDonald Southeast. Under this grant, scholarship assistance is provided for Fort Worth income-eligible households. The program goal was to serve 50 unduplicated clients.





Objectives

The objectives of this audit were to determine whether:

- the YMCA of Metropolitan Fort Worth complied with applicable federal regulations and City contract requirements; and,
- expenditures charged against the Housing and Urban Development grant were eligible, allocable, and reasonable.

Scope

The scope of this audit included a review of activity for the period October 1, 2014 through April 30, 2015. Internal audit activity was limited to the financial management aspects of the grant.

Methodology

To achieve the audit objectives, the Department of Internal Audit performed the following:

- reviewed Mayor and Council communications and applicable federal regulations;
- reviewed executed contract 46161 between the City of Fort Worth and YMCA of Metropolitan Fort Worth;
- conducted site visit at the YMCA;
- reviewed financial transactions maintained by the Financial Management Services and Neighborhood Services Departments and the YMCA; and,
- reviewed monitoring reports filed in Neighborhood Services Department.

We conducted this audit in accordance with generally accepted government auditing standards, except for peer review¹. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹ Government auditing standards require audit organizations to undergo an external peer review every three years. A peer review is planned in 2017 for the three-year period ending December 31, 2016.



Acknowledgements

The Department of Internal Audit would like to thank the YMCA of Metropolitan Fort Worth and Neighborhood Services Department staff for their cooperation and assistance during this audit.