

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF JUSTICE
COMPTROLLER'S OFFICE
AUDIT DIVISION
P.O. BOX 206
CAMP HILL, PA 17011

AUDIT REPORT

FINAL

PERIOD COVERED BY AUDIT

APRIL 1, 197²~~3~~ TO MARCH 31, 197³~~2~~

DATE OF AUDIT

MARCH 1, 1974

AUDITOR

WILLIAM C. Mac Collum
KENNETH F. SMALL

SUBGRANTEE

YOKE CREST, INC.
1820 Mulberry Street
Harrisburg, PA 17104

SUBGRANT NUMBER

DS-203-71A

I. INTRODUCTION

The scope of this audit included an examination of financial transactions, accounts, and reports to determine if the subgrantee has complied with subgrant conditions and Federal regulation.

Several meetings were held with Mr. Mitchell Rigel, Project Director, Mr. Larry Dienemann, staff member, and other employees of the staff during the first week of March, 1974.

Federal funds were awarded, subgrant DS-203-71A, to establish a facility as a totally therapeutic-oriented alternative to prison for youthful offenders who have been found guilty of a criminal offense.

II. AUDIT FINDINGS

A. Training Salaries and Other Personnel Positions

The subgrantee has made payments of \$16,664.00 for training salaries, which is not an allowable budget category for this subgrant agreement, and created other positions in excess of those in subgrant application. Since these expenditures are questionable, they are not incorporated in the Financial Summary.

B. Equipment and Furniture

The expenditures of \$1,777.00 for equipment and \$3,547.00 for furniture are questionable and omitted from the Financial Summary.

The subgrantee did not maintain an inventory record, therefore, the above amounts could not be verified by any sort of documentation, and a physical review of the items purchased are included in the Financial Summary.

C. Travel

The documentation for travel vouchers were either poor or not available at the time of this audit. Consequently, expenditures of \$5,112.00 for travel is questionable, and not included in the Financial Summary.

D. Federal Funds Unspent

At the date of termination, March 31, 1973, a balance of \$2,829.00 remain in the project as unexpended Federal funds. This amount includes salaries, travel, printing, and other items. *

E. Obligations

At the termination date, March 31, 1973, the subgrantee had obligations of \$6,927.65 which were not expended under this subgrant, but were paid out of subsequent funds of Subgrant DS-340-73E.

* - Presumably to be returned to G.J.C.

These expenditures are not applicable under the latter subgrant since the expenditures were incurred prior to the effective starting date of DS-340-73E, and are not included in the Financial Summary for subgrant DS-203-71A. For an explanation of these expenditures, see Appendix "A". *

Also, there was a payment of \$260.00 that was for legal services in leasing the Front Street house. This lease was not applicable under this subgrant, but was part of the continuing subgrant DS-340-73E. Since this is a preincurred expense of DS-340-73E it is not included in the Financial Summary for this audit of subgrant DS-203-71A.

F. Loans to Other Projects

Besides this project, the Project Director was involved with two other projects to which he transferred funds intermittently between projects. Although these funds have been returned, the procedure of transferring funds to other projects is in violation of SPA's regulations.

The \$11,000.00 loan to the summer camp program has been repaid in full, but another loan of \$3,822.00 for purchase of a van truck for the same program has a balance of \$822.00 outstanding, although Yoke Crest now has this vehicle as stated by staff members. *whose project*

The Board of Directors of Yoke Crest approved a transfer of funds to the project, Pennsylvania Clearing House on Information of Drug and Alcohol (PACIDA) not in excess of \$21,500.00. Loans of \$41,227.00 over a period of December 1972 to August 1973 were made to PACIDA and all of this money has been returned. Not only was this a violation of LEAA and SPA regulations, but the total of the loans was a violation to the amount approved by the subgrantee's Board. *whose program*

G. Debt Retirement

The subgrantee incorporated a \$12,000.00 debt retirement as part of applicant's match. This was the balance of the mortgage on the house located on Mulberry Street, but during this project only interest payments of \$560.00 were made. The Project Director stated that the Board of Yoke Crest decided to pay other bills, and generate more income rather than pay the principle on this debt. Since this interest was payment on the mortgage it is not included in the Financial Summary as it was not specified in the subgrant agreement, and is an unallowable costs as defined in Federal budget circular A-87.

H. Accounting Records

The subgrantee did not maintain separate accountability for the project funds, and did not maintain adequate records to identify the receipts and expenditure of these funds.

* - Don't know what G.J.G. did on this; not allowed as a cost in either grant by auditor.

I. Incidentals

Payments of \$963.00 charged as "Miscellaneous Expenses" are questionable and not included in the Financial Summary. The documentation to reconcile these expenses is poor or not available at time of audit.

M. Regal, E.D. received \$14,500.00 salary for period 4-1-72 to 3-31-73

APPENDIX "A"

<u>ITEM</u>	<u>VENDOR</u>	<u>DESCRIPTION OF EXPENSE</u>	<u>PERIOD INCURRED</u>	<u>CHECK #</u>	<u>MONTH PAID</u>	<u>AMOUNT</u>
1.	M. Brenner	Subsistence	Feb. & Mar. 73	1312	April, 1973	\$ 444.73
2.	Brookwood Farms	Subsistence	Mar. 73	1313	April, 1973	225.96
3.	City of Harrisburg	Utilities (Water & Sewer)	Oct. 72-Apr. 73	1320	April, 1973	95.96
4.	Herre Bros.	Construction	Mar. 73	1319	April, 1973	888.19
5.	Hoffman Ford	Auto Repairs	Mar. 73	1321	April, 1973	18.94
6.	Hoffman Ford	Auto Repairs	Mar. 73	1393	April, 1973	29.70
7.	A.J. Lehman & Sons	Maintenance Supplies	Feb. & Mar. 73	1322	April, 1973	35.95
8.	L. Lehman & Sons	Subsistence	Mar. 73	1324	April, 1973	335.33
9.	Lemoyne Sleeper	Furniture	Mar. 73	1323	April, 1973	35.90
10.	Mercurio	Subsistence	Mar. 73	1326	April, 1973	35.50
11.	P. P. & L.	Utilities	Mar. 73	1327	April, 1973	273.87
12.	Pease Pharmacy	Subsistence	Mar. 73	1337	April, 1973	54.58
13.	Phillips Office Supp.	Equipment	Mar. 73	1338	April, 1973	184.11
14.	Bell of Pa.	Utilities	Mar. 73	1386	April, 1973	224.06
15.	Bell of Pa.	Utilities	Feb. & Mar. 73	1311	April, 1973	481.95
16.	Wm. F. Rittner	Subsistence	Mar. 73	1330	April, 1973	1,400.75
17.	Sears	Furniture	Mar. 73	Unknown	April, 1973	509.64
18.	George Krosnar	Consultant Services	Mar. 73	238	July, 1973	745.00
19.	Sherwin-Williams	Construction	Mar. 73	1336	April, 1973	105.57
20.	UGI Corp.	Utilities	Feb. & Mar. 73	1333	April, 1973	396.63
21.	United Electric Supp.	Construction	Feb. & Mar. 73	1334	April, 1973	26.88
22.	Weiss Bros.	Subsistence	Feb. & Mar. 73	1335	April, 1973	40.98
23.	Wilhelm's Hardware	Construction	Mar. 73	1339	April, 1973	58.98
24.	Pitney-Bowes	Equipment	Mar. 73	1329	April, 1973	159.60
25.	ARCO	Travel	Mar. 73	1309	April, 1973	118.89

TOTAL

\$6,927.65

COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF JUSTICE
 COMPTROLLER'S OFFICE - AUDIT DIVISION
 FINANCIAL SUMMARY
 AS OF March 31, 1973
 PROJECT DURATION 12 months
 AUDIT PERIOD Apr. 1, 1972 to Mar. 31, 1973

SUBGRANT NO. DS-203-71A
 AWARD DATE April 10, 1972

EDITOR Bill Mac Collum & Ken Small
 Yoke Crest, Inc., P.O. Box 13512
 1820 Mulberry St., Harrisburg, Pa.
 PROGRAM An Alternative to Prison
 FINAL X INTERIM

BUDGET CATEGORIES	SUBGRANT BUDGET		EXPENDITURES		VARIANCE	
	APPLICATION CONTRIBUTION	FEDERAL FUNDS	APPLICANTS CONTRIBUTION	FEDERAL FUNDS	APPLICANTS CONTRIBUTION	FEDERAL FUNDS
Salaries	27,500	32,900	27,500	30,235	-0-	(2,665)
Benefits	1,736	3,520	1,579	3,520	(157)	-0-
Consultant Services	-0-	6,800	-0-	5,993	-0-	(807)
Training	-0-	700	-0-	-0-	-0-	(700)
Equipment	3,495	505	2,001	510	(1,494)	5
Printing	-0-	2,000	-0-	707	-0-	(1,293)
Postage & Freight	-0-	800	-0-	769	-0-	(31)
Communications	-0-	1,500	69	2,086	69	586
Travel	-0-	3,200	-0-	-0-	-0-	(3,200)
Utilities	-0-	2,400	1,574	2,640	1,574	240
Insurance	-0-	1,386	669	1,525	669	139
Motor Equip. & Repairs	-0-	800	-0-	1,539	-0-	739
Maintenance	-0-	165	-0-	-0-	-0-	(165)
Office Supplies	-0-	1,800	1,172	1,980	1,172	180
Educational Equip.	-0-	1,000	-0-	1,836	-0-	836
Maintenance Supplies	-0-	1,800	2,478	1,980	2,478	180
Subsistence, Residents	-0-	32,180	3,874	35,398	3,874	3,218
TOTALS						

TOTALS

AUDITOR Bill Mac Collum & Ken Small COMMONWEALTH OF PENNSYLVANIA SUBGRANT NO. DS-203-71A
 Yoke Crest, Inc., P.O. Box 3512 DEPARTMENT OF JUSTICE
 SUBGRANTEE 1820 Mulberry St., Harrisburg, Pa. CONTROLLER'S OFFICE - AUDIT DIVISION AWARD DATE April 10, 1972
 PROGRAM An Alternative to Prison AS OF March 31, 1973 FINANCIAL SUMMARY PROJECT DURATION 12 months
 FINAL X INTERIM Page 2 of 2 AUDIT PERIOD Apr. 1, 1972 to Mar. 31, 1973

BUDGET CATEGORIES	SUBGRANT BUDGET		EXPENDITURES		VARIANCE		
	APPLICATION CONTRIBUTION	FEDERAL FUNDS	APPLICANTS CONTRIBUTION	FEDERAL FUNDS	APPLICANTS CONTRIBUTION	FEDERAL	TOTAL
Motor Vehicles	3,000	-0-	2,906	-0-	(94)	-0-	(94)
Furniture & Furnishings	-0-	1,500	1,622	1,650	1,622	150	1,772
Construction	-0-	1,500	-0-	1,259	-0-	(241)	(241)
Debt Retirement	12,000	-0-	-0-	-0-	(12,000)	-0-	(12,000)
Property Tax	491	-0-	933	-0-	442	-0-	442
TOTALS	48,222	96,456	46,377	93,627	140,004	(2,829)	(4,674)