



# CITY OF FLAGSTAFF

FOR CITY STAFF / RANKING COMMITTEE USE ONLY

## Attachment E – Ranking Form and Evaluation Criteria

City staff and the Ranking Committee will use this form to evaluate proposals. Consideration is given to past performance of the submitting applicant.

**Applicant (Organization's Legal Name):**

Homeless Youth Connection

**Program Name:**

Empowering Youth For the Future

**Funding Request:**

\$50,000.00

**Total Program Cost:**

\$2,231,672.00

Does the application meet the threshold criteria for review? **YES/NO**

**Average Score:**

Average of all evaluator scores based on Total Points – 81

**Points Possible: 90**

**Comments:**

50 unduplicated youth in 1 year

Case management and other services

- + Will be opening transitional housing in Flagstaff soon
- + Meets a very unique need – congregate shelter is not always appropriate for 18-21 year old
- + Experience with federal and state grants

- No CoC Letter confirming participation
- Schedule/Timeline is unclear
- Majority of the data and program information is statewide or Phoenix-specific
- Missing local data



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## Applicant Information (15/20 points)

1. Does the applicant provide an overview of the entity and provide evidence demonstrating a history of and experience carrying out similar programs?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very much)

Comments (required for scores 5 and under):

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2. How well does the answer explain how the entity collects data and measures outcomes?

(Not at all) 0 1 2 3 4 5 (Very much)

Comments (required for scores 2 and under):

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3. Is the applicant participating in the Front Door of Coconino County and/or a participating member of the Continuum of Care? Is evidence included?

(No) 0 5 (Yes)

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## Proposed Program (37/40 points)

1. How well does the answer provide a detailed description of the program? Does the description include program specifics as well as highlight how the program might serve persons impacted by the ruling on Freddy Brown, et al. v. City of Phoenix (court decision to clear and clean The Zone); the expiration of the Public Health Act (Title 42) as it pertained to the border between Arizona and Mexico; or the closure of sober living homes and residential facilities?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 (Very much)

Comments (required for scores 5 and under):

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2. How well does the answer justify the local need for the proposed program? Does the answer provide a clear description of the proposed beneficiaries and performance metrics?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 (Very much)

Comments (required for scores 5 and under):

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3. Does Attachment C (Schedule of Completion) include a narrative summary describing the expenditure of funds and the predicted progress of the proposed schedule?

(Not at all) 0 1 2 3 4 5 (Very much)

Comments (required for scores 2 and under):

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4. Does Attachment D (Budget) include a comprehensive budget for this proposed Program? Is a narrative summary describing exactly what Local Recovery Funds will pay for included?

(Not at all) 0 1 2 3 4 5 (Very much)

Comments (required for scores 2 and under):

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## **Fiscal Management and Applicant Capacity (19/20 points)**

1. Does the applicant demonstrate a history and realistic capacity for administering these funds and undertaking this Program?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very much)

Comments (required for scores 5 and under):

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2. Has the applicant received City of Flagstaff funding in the past? Is the Applicant in good standing to receive federal and/or another City of Flagstaff funding?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very much)

Comments (required for scores 5 and under)

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## **General Criteria (10/10 points)**

1. How realistic is the schedule of completion? Was the correct format used in creating the schedule? How realistic is the program budget and is the program cost effective? Was the correct format used?

(Not at all) 0 1 2 3 4 5 (Very)

Comments (required for scores 2 and under):

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2. Has the applicant exhibited competence in preparing the application? Are the applicant's answers complete, thorough, well-written, correct grammar, easy to follow format, etc.

(Not at all) 0 1 2 3 4 5 (Very)

Comments (required for scores 2 and under):



# CITY OF FLAGSTAFF

## Attachment A – Applicant Information

**Applicant (Organization's Legal Name):**

Homeless Youth Connection, Inc.

**Executive Director/CEO/Etc. Name, Phone and Email:**

Dawn Bogart, Co-CEO, 602-565-3218, dbogart@hycaz.org

**Program Manager Name, Phone and Email:**

Lisa Miller, Director of Youth Services, 602-847-4300 lmill@hycaz.org

**Mailing Address:**

224 East Hatcher Road

Phoenix, AZ 85020

**Physical Address:**

224 East Hatcher Road

Phoenix, AZ 85020

**Is the applicant a 501 (c) 3 non-profit organization, for-profit entity, developer, business, government entity or other (please explain)?**

yes

**Federal EIN/TIN #:**

27-3182999

**Unique Entity ID:**

LZ2MY14LGGM7

Registered in the Federal System for Award Management (SAM)? **YES** / NO

Participating member of the Coconino County Continuum of Care? **YES** / NO

**Funding Request:**

\$50,000

**Total Program Cost:**

\$2,231,672

**Program Name:**

Empowering Youth For The Future



OPPORTUNITY



# CITY OF FLAGSTAFF

## **Brief Description of Program (2-3 sentences):**

Homeless Youth Connection (HYC) eliminates barriers to education so that youth experiencing homelessness can graduate and create lasting solutions for a sustainable future. HYC partners with 130 high schools and colleges in Maricopa County and Flagstaff to provide 700 youth with basic needs, comprehensive social services and housing so they can stay in school and complete their education.

## **If the program already exists, explain how funding creates an increase in services?**

In the past, 70% of the youth who participated in the HYC program primarily needed assistance with basic needs throughout the year. They needed some case management and coordination of additional resources. Post-pandemic, we have seen the needs of our youth increase and require more intense case management from our youth coaches.

The greater demand required a shift in our case management model. The youth coach team was now spending more time with their youth, providing additional resources including referrals for counseling, assistance with employment, and help with obtaining shelter through our housing program or in collaboration with other community shelter providers.

## **Beneficiary Description:**

HYC serves youth ages 13 to 21 who are experiencing homelessness and enrolled in high school or college.

## **Proposed Outcomes:**

HYC will provide 50 youth experiencing homelessness who are enrolled in high school or college in Flagstaff with basic needs and resources so they can stay in school and complete their education.

## **AUTHORIZED SIGNATURE OF APPLICANT:**

The signatory declares that he/she is an authorized official of the applicant organization, is authorized to make this application, is authorized to commit the organization in financial matters, and will assure that any funds received as a result of this application are used for the purposes set forth herein and the organization will comply with all contractual obligations.

Dawn Bogart, Co-CEO

**Name and Title**

**Signature**

Homeless Youth Connection

**Organization**

October 9, 2023

**Date**

## **Please attach: Authorization to Request Funds/Authorized Signature Authority**

Documentation of formal authorization from applicant to request Local Recovery Funds and documentation of authorized signature authority (e.g., bylaws, official resolution, or a copy of the minutes of the meeting in which an action was taken)



## NONPROFIT CORPORATE AUTHORIZATION RESOLUTION

I certify that I am the Secretary of Homeless Youth Connection, Inc., a Corporation (“HYC”), organized under the laws of Arizona, Tax Identification Number 27-3182999, engaged in business under the trade name of Homeless Youth Connection, Inc. HYC maintains nonprofit status with the Internal Revenue Service, and that the resolutions on this document are a true and correct copy of the resolutions adopted at a meeting of the Board of Directors of HYC held on November 18, 2021.

BE IT RESOLVED THAT, the Board of Directors of HYC appoint Dawn Bogart, Co-Chief Executive Officer (Co-CEO) and Dana Bailey, Co-Chief Executive Officer (Co-CEO) [Authored Signer(s)] to exercise the powers listed below:

- (1) Open, close, maintain and operate savings, checking, and money market accounts at Bank of America and FirstBank.
- (2) Endorse and deposit checks and orders for the payment of money or otherwise, and to sign checks or orders for payment of money, withdraw or transfer funds in HYC’s accounts at Bank of America and FirstBank;
- (3) Enter into and execute any preauthorized electronic transfer agreements for automatic withdrawals or transfers initiated through an ATM, point-of-sale terminal, telephone, computer using an access device like a debit card, code, or similar means; and
- (4) Enter into and execute wire transfer agreements that authorize transfers by telephone or other communication systems permitted by HYC.
- (5) Enter into and execute payment services agreements that allow for electronic bill payment and other electronic transfer services provided by Bank of America and FirstBank;
- (6) If eligible per bank policies, enable this business account to be connected via online digital banking to other accounts held at the bank.
- (7) Register the business to use online digital banking, so long as such Authorized Signer is either the owner of the business, a beneficial owner, or the controlling manager of the business (as set forth below).

BE IT RESOLVED THAT, the Board of Directors of HYC further appoint Dawn Bogart, CEO and Dana Bailey, COO to have the authority to do the following:

- (8) Sign, execute and deliver promissory notes or other evidence of indebtedness, and request credit cards.

BE IT RESOLVED THAT, the Board of Directors of HYC certify the following information for one individual with significant responsibility for managing HYC. (Can be the same a signer listed above or can be an executive officer or senior manager.)

			Social Security #	Passport # and Country of Issuance or Other Similar Foreign Country Issued Identification Document
Dawn Bogart	03/21/1962	14540 W. Indianola Avenue Goodyear, AZ 85395	527-67-6758	

BE IT RESOLVED THAT, this resolution shall continue to have effect until express written notice of its rescission or modification has been received by Bank of America or FirstBank. Any revocation, modification or replacement of a resolution must be accompanied by documentation satisfactory to Bank of America or FirstBank, establishing the authority for the changes.

BE IT RESOLVED THAT, all transactions, if any, with respect to any deposits, withdrawals, and borrowings by or on behalf of HYC with Bank of America and FirstBank prior to the adoption of this resolution are hereby ratified, approved and confirmed.

BE IT RESOLVED THAT, should HYC change entity form or ownership, the undersigned shall promptly notify Bank of America and FirstBank in writing.

**CERTIFICATION OF AUTHORITY**

I further certify that the Executive Committee of the Board of Directors of HYC has, and at the time of adoption of the above resolution had, full power and lawful authority to adopt the resolutions and confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply corporate seal if applicable.)

In witness whereof, I have subscribed my name to this document and affixed the seal of HYC where applicable.

Signature: \_\_\_\_\_

Name: Deb Charlesworth

Title: Treasurer

Date: November 18, 2021

**ATTEST BY ONE OTHER OFFICER**

Signature: \_\_\_\_\_

Name: Cyndi Tercero

Title: President

Date: November 18, 2021

## **Attachment B – Program Narrative Questions**

Each proposal must include responses to the questions below. Proposal information should be presented in narrative form but may include tables or graphics to convey pertinent information.

### **Applicant Information (20 points) (10 points)**

#### **1. (10 points)**

Please provide a description of the applicant entity, including a brief history, mission statement, and an overview of programs and services provided. Explain why the applicant is qualified to provide the proposed services or undertake the proposed program.

Homeless Youth Connection's (HYC) mission is to eliminate barriers to education so that youth experiencing homelessness can graduate and create lasting solutions for a successful future.

HYC was founded in 2010 to meet the needs of homeless youth who wish to remain in high school but may be forced to drop out because they lack a safe or stable home. Beginning in one school with a goal of providing for their basic needs, the organization has grown to serve more than 130 schools throughout Maricopa County and Flagstaff, and now provides services and programs designed to help youth experiencing homelessness who are enrolled in high school achieve a successful, self-sufficient future.

HYC serves homeless youth between the ages of 13 and 21. The Arizona Department of Education reported more than 8,700 homeless youth, in 9th-12th grade, are living in Arizona and more than 1,100 are unaccompanied youth. These youth face numerous barriers to education, keeping many of them from completing high school or achieving post-secondary education. Most individuals are unaware of the youth we serve because they are invisible. They are not part of the child welfare system, and they do not ask for help. Homeless youth are identified by their teachers, counselors, and coaches.

HYC partners with more than 130 high schools and colleges in Maricopa County and Flagstaff to serve 700 homeless youth annually. We anticipate serving 50 homeless youth in Flagstaff.

HYC's Empowering Youth For The Future (EYFTF) program is a comprehensive social services program that engages high-school-age youth experiencing homelessness in trauma-informed, client-led, strengths-based interventions. Youth coaches work together with youth to identify needs related to academics, health, housing, hygiene, employment, and independent living skills. Youth then identify their strengths and goals, and partner with the youth coach to establish a plan to meet those needs and goals. HYC believes that youth will succeed and reach their highest potential through authentic youth engagement and positive youth development. All services are provided at no cost to the youth, high school, school district or state.

Program success is measured by the number of youth who complete the school year, increase independent living skills, establish a plan for after high school, and have a healthy support network in their life.

HYC is proud to report a number of accomplishments related to program goals including 95% of youth experiencing homelessness who participated in the program, stayed in school and completed their education.

This past year, HYC experienced an increase in the number of youth identified as homeless and referred for services. Since August, 716 youth experiencing homelessness have participated in the program this year; that is 116 more than the goal of serving 600 youth.

In May, 463 youth were actively participating in the program. Of those youth, 162 were high school seniors. Of the 162 seniors, 126 graduated, one youth obtained their GED, 33 youth are attending summer school or will enroll in the fall and two youth are undecided. It is widespread among this vulnerable population to have many youth enroll for a second senior year.

Of the 126 graduating seniors, 98% enrolled in college, entered the workforce, or enlisted in the military. This success was accomplished because HYC youth coaches maintained lower caseloads, allowing them to spend more time with youth addressing their education and housing instability needs and helping them develop a post-graduation plan to provide them with a sustainable future without homelessness.

This success was accomplished because of HYC's goal to lower caseloads so that youth coaches were able to spend more time with youth addressing their needs related to education, housing instability, and important for their sustainability helping the youth develop a plan for post-graduation that creates lasting solutions for the future.

In the past, 70% of the youth who participated in the HYC program primarily needed assistance with basic needs throughout the year. They needed some case management and coordination of additional resources. Post-pandemic, we have seen the needs of our youth increase and require more intense case management from our youth coaches.

The greater demand required a shift in our case management model. The youth coach team was now spending more time with their youth, providing additional resources including referrals for counseling, assistance with employment, and help with obtaining shelter through our housing program or in collaboration with other community shelter providers. As a result, we added an additional youth coach to help with the referrals and case management, as well as had our two program managers provide additional support with case management services. We see this trend for greater needs of service continuing and have hired additional youth coaches to support the need for more extensive case management in the upcoming year.

HYC has two options to address unaccompanied youth's housing needs: the Hatcher Transitional Living Program and the Host Home model. HYC began operating the Hatcher Transitional Living Program earlier this year. Currently there are ten youth participating in the program. Since 2015, more than 250 unaccompanied homeless youth have participated in the Host Home program. Of those, 95% have graduated and 78% have gone on to post-secondary education.

In November 2022, HYC received an award from the Arizona Department of Housing to purchase a home for transitional housing for youth experiencing homelessness. The home was purchased, however, there was a flood which damaged the majority of the property. The repairs will be completed the end of October 2023. We are in the process of hiring staff to provide supervision in the evenings. Once staff is in place we will be able to move youth into the home.

## **2. (5 points)**

Describe how the entity collects and maintains data, measures activities versus outcomes and how data is used for program planning, evaluation, and improvement.

For HYC's Empowering Youth For The Future (EYFTF) program, youth coaches use evidence-based practices to work with youth to identify and address needs related to academics, health, social-emotional wellness, housing, hygiene, employment, and independent living skills. Motivational interviewing techniques are tools used by the youth coach to help guide the youth through the process of identifying the goals that are most important to them, as well as the steps that will lead to the successful attainment of those goals.

Each youth's plan is individualized to their strengths, goals, and vision. HYC's youth coaches connect weekly with the youth in person at their schools or through how they prefer, which may include online meetings, phone contact, or meetings in the community.

In addition to the individualized case plan, HYC utilizes a life skills curriculum that helps the youth identify and achieve a series of short-term goals that assist them in attaining the longer-term goal of self-sufficiency. Youth coaches maintain documentation notes on each visit and youth activity to track progress and needs in a wide range of life skill areas, including money management, employment, wellness, and building a healthy social network.

HYC also uses an online database called the Homeless Management Information System (HMIS). This database stores digital records and progress for all youth participating in HYC. The database allows the youth coaches and HYC's management team to evaluate data department-wide to compare with HYC's program goals.

HYC's quality improvement process ensures quality services and continued program improvement. The youth coaches and resident assistants are part of a multi-disciplinary team that meets weekly with the housing manager and the manager of youth services to review the progress and needs of the youth enrolled in the program and to ensure that documentation and data entry is complete and accurate. All team members are made aware of the key activities and outputs and how they are measured to ensure that the program is implemented as designed, and outputs are delivered, and outcomes are achieved. HMIS data reports, client file reviews, and student surveys are used to track progress on logic model outcomes. Outcome reports are reviewed by the leadership team on a weekly basis, and successes and areas of concern are identified and discussed.

Quarterly evaluation will be conducted by identifying and comparing logic model outcome goals with outputs, including project end-of-year closing (October 30, January 30, April 30, July 30). Progress toward outcomes will be reviewed and compared to previous quarters to determine trends, and adjustments to service delivery are made in order to meet projected goals. These reviews and discussions, conducted by the director of youth services, program managers, and youth coaches, generate lessons learned from the project including identifying any areas where outputs are on track to meet goals, or opportunities for improvement in areas that are projected goals.

### **3. (5 points)**

Is the applicant participating in the Front Door of Coconino County and/or a participating member of the Continuum of Care? To what extent does the applicant participate? An MOU with or letter from the CoC confirming entity participation is required.

HYC's director of youth services and Flagstaff youth coach attend the Continuum of Care meetings. They are not official members of the committee; however, we are researching the possibility when it becomes available.

HYC does not participate in the coordinated entry process because the majority of youth who are homeless are part of an entire family that is homeless and already a part of the system.

Additionally, through HYC's Host Home Housing program and the Flagstaff Transitional Living Program, we can provide unaccompanied homeless youth with housing options without taking any inventory from Flagstaff's Front Door.

## **Proposed Program (50 points)**

### **1. (15 points)**

Describe how the proposed program will provide shelter and/or services to unsheltered persons who are experiencing homelessness. The description should also include program specifics such as the requested funding amount, program start date, program end date (if applicable), and anticipated number of persons served during the period of performance.

HYC is requesting \$50,000 to cover the cost of 1FTE youth coach that serves youth attending schools in Flagstaff. The program start date is July 1<sup>st</sup> and the end date is June 30<sup>th</sup>. We anticipate serving 50 youth experiencing homelessness ages 13 to 21 who attend high school or college in Flagstaff.

The most effective types of interventions for homeless youth engage the youth early in the cycle of homelessness. When services are provided at a separate facility, youth may not be able to find transportation to and from appointments, which greatly limits their ability to benefit from these programs. HYC alleviates this by providing youth with basic needs and by stabilizing them in appropriate and supportive environments. HYC uses an innovative approach to helping homeless youth stay in school and complete their education by meeting youth “where they are.”

As mentioned, the EYFTF program is a comprehensive social services program that engages high-school-age youth experiencing homelessness in trauma-informed, client-led, strengths-based interventions. Youth coaches work together with youth to identify needs related to academics, health, housing, hygiene, employment, and independent living skills. Youth then identify their strengths and goals, and partner with the youth coach to establish a plan to meet those needs and goals. HYC believes that youth will succeed and reach their highest potential through authentic youth engagement and positive youth development. All services are provided at no cost to the youth, high school, school district or state.

In addition to the individualized case plan, HYC utilizes a life skills curriculum that helps the youth identify and achieve a series of short-term goals that assist them in attaining the longer-term goal of self-sufficiency. Youth coaches maintain documentation notes on each visit and youth activity to track progress and needs in a wide range of life skill areas, including money management, employment, wellness, and building a healthy social network.

Basic needs, such as food, clothing, transportation, and hygiene supplies are provided, and educational resources such as computers, hotspots, and calculators are also supplied when needed. Fees for class supplies and scholastic activities are also covered when appropriate. Youth coaches assist youth with the FAFSA and other funding opportunities when they are available. HYC provides up to one year of aftercare support after a youth completes the program and exits to safe and stable housing in order to support them in their transition to independent living.

As mentioned above, HYC has two options to address unaccompanied youth's housing needs: the Hatcher Transitional Living Program and the Host Home model. The HYC Hatcher Transitional Living Program provides up to 20 beds in single-floor dormitory-style accommodations. There are ten rooms with two beds and a shared bathroom per room. There is a shared kitchen, community area, and laundry accommodations. This program is centrally located in Phoenix, providing close access to public transportation, employment, and schools. This site is supervised by trained and qualified staff full-time and offers a rich array of programming and life skill development opportunities.

The Host Family program is a low-cost, community-engagement strategy involving faith-based communities, service organizations, school parent organizations, and nurturing individuals. The Host Family program connects homeless youth with caring adults from their communities willing to provide safe and stable housing, while HYC provides the youth with comprehensive support.

The host family provides the youth with shelter, food, transportation, and emotional support, while the organization delivers case management, counseling assessments, and other services.

As mentioned, HYC has a transitional home in Flagstaff for unaccompanied homeless youth. We are in the process of hiring staff to provide supervision in the evenings. Once staff is in place we will be able to move youth into the home.

## **2. (15 points)**

Describe the proposed beneficiaries the program will serve. Include local statistics/data or other information to demonstrate the need for this program. Provide information regarding performance metrics- identify and list specific measures that will be reported to demonstrate the impact of this funding. Example: Number of individuals served, shelter nights provided, move in assistance, etc. evaluation, including how the program evaluates services and the impact on clients.

HYC serves youth between the ages of 13 and 21 who are experiencing homelessness and enrolled in school. HYC partners with 130 high schools and colleges in Maricopa County and Flagstaff to serve more than 700 youth annually. We anticipate serving 50 youth in Flagstaff.

The Arizona Department of Education identified 8,700 high school students experiencing homelessness as of May of 2022, at least 1,116 of whom are unaccompanied. These youth face numerous barriers to education, keeping many of them from completing high school or achieving post-secondary education. They are not part of the child welfare system, and they are not represented in the Maricopa County Continuum of Care Point in Time Count, which count 1,240 children under the age of 17 who are also members of a family experiencing homelessness and the 624 unaccompanied youth experiencing homelessness. These youth are often not easily identified as they remain under the radar, couch surfing or having no regular nighttime residence. The runaway and homeless youth served by HYC are identified by their teachers, counselors, and coaches. The youth who participate in the HYC program are referred by homeless education liaisons in each high school, other shelters, and youth service providers, or are self-referred.

Homeless youth are at a greater risk than their non-homeless peers of being chronically absent from school. Chronic absenteeism is associated with lower academic achievement and higher dropout rates. Homeless youth have lower high school graduation rates than their peers. Approximately 40% of youth participating in the HYC program are seniors or second-year seniors between the ages of 17 and 21. Based on intake reports, these youth frequently lack basic needs (clothing, food, hygiene), are behind academically, have not developed basic life skills, and lack resources to obtain gainful employment.

They are at greater risk of developing emotional, mental health, and medical issues; many have not been to the doctor or dentist in several years. They often lack access to reliable transportation, and their housing has been unstable for most of their high school experience.

Over 30% of the homeless youth served by HYC are unaccompanied, who may find themselves in a position to do what they have to in order to survive, such as sleeping in cars, bartering sex for shelter, couch surfing from one friend's house to another, or residing with abusive family members.

Since 2010, HYC has served more than 4,600 homeless youth. The population is made up equally of males and females, with approximately 20% of the population identifying as LGBTQ. Over 75% served by HYC are youth of color, our most recent demographics represent 51% Hispanic/Latino, 18% Caucasian, 23% African American, 6% Native American, and 2% Asian/Pacific Islander.

## Statement of Need

Research consistently shows that youth experiencing homelessness are much more likely to drop out of school than those who are stably housed (nsba.org, 2021), and the Chapin Hall Voices of Youth study (2019) found those without a high school diploma are 4.5 times more likely to experience homelessness as they grow older. Studies have estimated that 1 in 10 young adults ages 18 to 25 and at least 1 in 30 adolescents ages 13 to 17 experience some sort of unaccompanied homelessness over the course of a year.

Homeless youth experience greater school mobility than their non-homeless peers. School mobility can cause interruptions to a child's education, and higher school mobility is associated with lower academic achievement and an increased risk of dropping out of school. Homelessness can have significant negative impacts on children academically, socially, and emotionally.

HYC is needed in our community to provide homeless youth between the ages of 13 and 21 with housing, basic needs, case management and resources so they can stay in school, graduate, and create lasting solutions for a successful future. HYC's program prevents chronic adult homelessness through wraparound supports which enables the completion of high school and transition to college, trade school, employment, or military service. By alleviating concerns regarding housing and basic needs, homeless youth thrive, graduate, and succeed.

In Maricopa County and Flagstaff, the few programs available to serve homeless youth focus primarily on those who are not attending high school. There are few options that focus on the prevention of youth homelessness or early intervention services. Unfortunately, once youth have reached the age of 18, many jurisdictions struggle to appropriately define the different roles and responsibilities of local child welfare systems and private nonprofit agencies in providing family preservation services. While these youth have aged out of the child welfare system, they typically lack the maturity, experience, education, and other resources necessary to secure employment with sufficient wages to allow them to live independently as adults.

HYC offers a program to help youth with this transition by filling the gaps in available services and providing effective interventions that meet the needs of youth experiencing homelessness while they are attending secondary or their first year of post-secondary education or training. Our youth coaches meet with youth to build their strengths and resiliency, giving them tools for success and independence, and offers an additional year of follow-up support once they have completed the program.

As mentioned above, program success is measured by the number of youth who complete the school year, increase independent living skills, establish a plan for after high school, and have a healthy support network in their life.

Expected outcomes include:

700 homeless youth will be served through case management.

- 90% of homeless youth will remain enrolled and complete the school year.
- 80% of homeless youth will be fluent in public transportation.
- 75% of homeless youth will self-report an increase in their independent living skills.
- 80% of homeless youth will have health insurance, food assistance, and vital documents.
- 90% of homeless youth will complete a Permanent Connections graph.

150 homeless youth who are seniors will graduate high school.

- 90% of homeless youth who are seniors will remain enrolled or graduate.
- 90% of homeless youth who are seniors will develop a plan for post-graduation.
- 30% of homeless youth who are seniors will be employed.

50 unaccompanied homeless youth will receive safe and stable housing.

- 100% of youth will have housing stability through the school year.
- 100% of youth will participate in a clinical assessment with a licensed professional counselor.
- 90% of youth will develop a plan for post-graduation.
- 90% of youth will exit to a safe and stable housing destination.
- 75% of youth will be employed or looking for work.

**3. (10 points)**

Provide information about the timeline for program implementation and expenditure of funds. Keep in mind all funds need to be expended by June 30, 2024. This narrative should align with the timeline provided in Attachment C.

HYC can begin drawing down funds July 1, 2024. During the month of July, HYC's youth coach continues to provide services to youth who participated in the prior school year. Additionally, the youth coach will be working with the homeless school liaison to requalify the youth for services based on the McKinney-Vento criteria.

Youth are identified as homeless throughout the school year. Once identified, the homeless school liaison sends a referral form to the youth coach. The youth coach meets with the youth at their school. Youth coaches work together with youth to identify needs related to academics, health, housing, hygiene, employment, and independent living skills. Youth then identify their strengths and goals, and partner with the youth coach to establish a plan to meet those needs and goals.

The youth coach connects weekly with the youth in person at their schools or through how they prefer, which may include online meetings, phone contact, or meetings in the community. The youth coach will continue to meet with the youth throughout the school year. The youth coach will continue to provide basic needs, such as food, clothing, transportation, and hygiene supplies, and educational resources, such as computers, hotspots, and calculators, are also supplied when needed. Fees for class supplies and educational activities are also covered when appropriate.

If the youth are seniors the youth coaches will assist the youth with the FAFSA and other funding opportunities when they are available. Additionally, the youth coach will assist the youth with creating a plan for post-graduation.

HYC provides up to one year of aftercare support after a youth completes the program and exits to safe and stable housing to support them in their transition to independent living.

**4. (10 points)**

Provide budget details including a line-item budget for the program that includes the following categories as applicable: personnel, fringe benefits, administration, supplies, equipment, nightly stays, and other. This narrative should align with the budget provided in Attachment D.

The EYFTF budget includes:

**Personnel – Salaries and Benefits**

- 1 FTE director of youth services
- 13 FTE youth coaches
- 3 program managers
- 2 community engagement managers
- 1 FTE resident manager
- 5 FTE resident assistants
- 4 part-time resident assistants

**Staff Expenses**

Travel reimbursement to youth coaches, phones, and hotspots.

**Staff Training**

The HYC youth coach receives training in best practices that help support the resilience and self-efficacy of the youth we serve. These training areas include trauma informed care, strengths-based approach, motivational interviewing, positive youth development, harm-reduction, and resiliency theory.

**Counseling**

HYC employs or contracts with counselors with independent and master's level licensure through the Arizona Board of Behavioral Health Examiners (AZBBHE) who have experience and knowledge working with youth experiencing homelessness.

**Stipends**

HYC pays a \$400 monthly stipend to Host Families. On average, youth stay with a host family for nine months.

**Student Assistance**

HYC pays for numerous items to help youth stay in school including educational fees not covered by the school, school supplies including computers, hotspots and calculators, medical co-pays, prescriptions, eye exams, glasses, vital documents, and transportation.

**HMIS**

HYC records youth information in the Homeless Management Information System (HMIS). Each youth coach has a subscription that is renewed annually.

**Youth Advisory Council**

To ensure that youth have a voice in their participation and success in the program, HYC established the Youth Advisory Council. The council is made up of current youth and youth that have completed the program. We pay a stipend to the youth for their time.

**Emergency Housing**

Goodyear Transitional Home – rent, utilities, security, and food  
Flagstaff Transitional Home – utilities, security, and food  
Hatcher Transitional Living Program - utilities, security, and food

**Facilities**

Rent for administrative offices, utilities, security, and maintenance

**Operating**

Insurance, IT, conference travel, legal

**Fiscal Management and Applicant Capacity (20 points)****1. (10 points)**

What is the applicant's current annual operating budget? Does the applicant undergo an annual audit? Please attach the applicant's audit and financial statement from the most recent fiscal year.

HYC's annual operating budget is \$2,862,337. We contract with Heinfeld Meech to complete an audit each year. Please find attached our FY22 audit. We are in the process of finalizing the FY23 audit and we will forward it to you once it is complete.

**2. (10 points)**

Briefly describe the applicant's history and realistic capacity for administering these funds. Has the applicant received City of Flagstaff funding in the past?

HYC has received government funding for the past 12 years including city, county, state, and federal funds. This year, we have contracts with ten municipalities, the Runaway and Homeless Youth TLP federal grant, and a recent contract with the Arizona Department of Education. For each funding source, we must complete monthly or quarterly reports including numbers served, demographic information, and goals, as well as invoices for services.

HYC has received funding from the City of Flagstaff for the past three years. We have completed monthly reports and CAPERS.

**Unscored Questions**

1. What is the minimum amount of funding needed for the program to proceed?

HYC would request at least \$30,000 to proceed.

2. Is there any other information you would like the Ranking Committee to know about your program or organization that is not already covered?

HYC is working on a minor consent bill that would allow unaccompanied youth experiencing homelessness to consent for their own housing and social services. We are working with numerous community partners on this initiative and hope to present the bill to legislators in January 2024.

Additionally, we are sincerely grateful for the support HYC has received from the City of Flagstaff for the past three years. Thanks to community partners like you, HYC can provide the resources and services youth experiencing homelessness need to stay in school and complete their education. Of the youth participating in the program, 95% complete their education. On average, 87% of youth experiencing homelessness drop out of school. Together we are making an impact in the lives of homeless youth so that they have a chance at a brighter future.

**EXHIBIT C  
PROJECT BUDGET**

<b>Project Budget</b>	
<b>City of Flagstaff</b>	CDBG 2023/2024
<b>Project Description:</b>	Empowering Youth For The Future
<b>Implementing Agency:</b>	Homeless Youth Connection
<b>CoF Project Number:</b>	
<b>Persons Served:</b>	50 individuals
<b>Date Submitted:</b>	10/10/2023

Item/Activity	Item/Activity Description	Source 1	Source 2	Leverage	In-Kind	Project
		City of Flagstaff CDBG	Federal/State/ Local Funding	Agency Financing	Donations	TOTALS
<b>1</b>	<b>Program or Project Related Expenses</b>					
A	Monthly stipends for 30 host families (approx \$400 x 30 families x 7 months)			70,000		70,000
B	Counseling			25,000		25,000
C	Student assistance(clothing, food, beds, vital documents, hotspots, computers, wi-fi, healthcare copays, prescriptions, educational assistance, household items, bikes, bus passes,			50,000		50,000
D	HMIS/student database			3,500		3,500
E	Youth Advisory Council			5,000		5,000
F	Program Supplies - includes printer ink @ 120 pyc per year and 3 computers			5,000		5,000
G	Emergency/Transitional Host Home Goodyear			42,281		42,281
H	Emergency/Transitional Host Home Flagstaff			23,352		23,352
I	Emergency/Transitional Housing Hatcher (food)			73,000		73,000
J	In-kind donations and gift cards				100,000	100,000
<b>2</b>	<b>Administration</b>					
A	Salaries	50,000	365,076	968,730		1,383,806
B	Taxes and benefits			235,247		235,247
C	Staff expenses (travel reimbursement cms,			59,900		59,900
<b>3</b>	<b>Facility Value</b>					
A	Facilities			83,736		83,736
B	Operating			71,850		71,850
<b>Totals</b>		<b>50,000</b>	<b>365,076</b>	<b>1,716,596</b>	<b>100,000</b>	<b>2,231,672</b>



**Empowering Youth For The Future  
Schedule of Completion**

<b>Project Schedule</b>				
<b>Project Description</b>	Empowering Youth For the Future			
<b>Implementing Agency</b>	Homeless Youth Connection			
<b>Persons Served</b>	700 homeless youth			
<b>Action Items</b>	<b>Item Description</b>	<b>Timeline</b>	<b>Completion</b>	<b>Billing/Expenditure</b>
Youth are identified as homeless by the homeless school liaison utilizing the McKinney-Vento criteria.	Case management	August through June	June 1, 2024	Nov 1, 2023 Feb. 1, 2024 April 1, 2024 June 1, 2024
Youth are referred to HYC youth coach. Youth coach meets with youth at their school.	Case management	August through June	June 1, 2024	Nov 1, 2023 Feb. 1, 2024 April 1, 2024 June 1, 2024
Youth coach completes an assessment for basic needs and resources with the youth.	Case management	August through June	June 1, 2024	Nov 1, 2023 Feb. 1, 2024 April 1, 2024 June 1, 2024
Youth coach work together with youth to identify needs related to academics, health, housing, hygiene, employment, and independent living skills.	Case management	August through June	June 1, 2024	Nov 1, 2023 Feb. 1, 2024 April 1, 2024 June 1, 2024
Youth graduates from high school.	Case management	August through June	June 1, 2024	Nov 1, 2023 Feb. 1, 2024 April 1, 2024 June 1, 2024
HYC provides youth with After Care Service.	Case management	August through June	June 1, 2024	Nov 1, 2023 Feb. 1, 2024 April 1, 2024 June 1, 2024

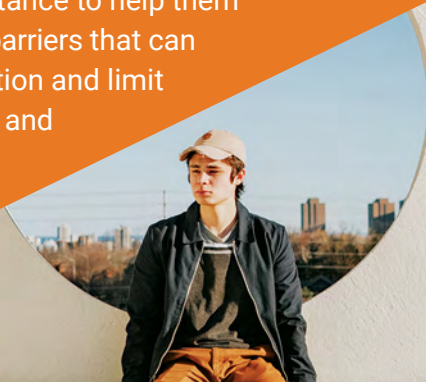
Homeless youth enter the program throughout the entire school year. The steps listed above are the order in which services are provided, once the youth enters the program.

Eliminates Barriers  
Empowers Youth  
Creates Lasting Solutions



HOMELESS YOUTH  
**connection**

**Homeless Youth Connection (HYC)** serves youth ages 13 to 21 who are experiencing homelessness as they try to stay in high school and graduate. HYC provides assistance to help them navigate the many barriers that can impede their education and limit their future stability and self-sufficiency.

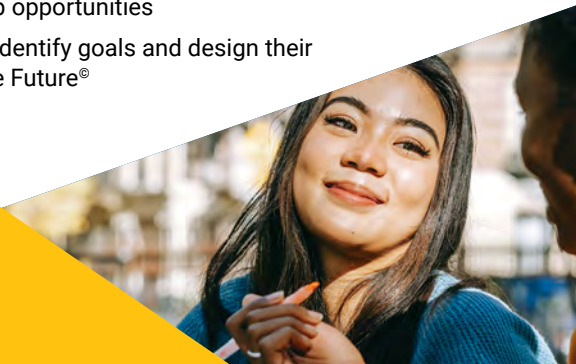


## **HYC Eliminates Barriers to Graduation**

- Provides **essential needs** including clothing, hygiene products, vital documents, health insurance enrollment and access to medical care including co-pays, vision, dental and prescriptions as well as counseling services
- Provides **educational resources** including class and club fees, school supplies including laptops and Wi-Fi access
- Provides **housing resources** including HYC's Host Family Housing program and Transitional Living Program
- Provides **employment resources and preparation** during and after high school graduation

## **HYC Empowers Youth with Life Skills and Adult Preparedness**

- Teaches life skills including banking and financial literacy, independent shopping, and accessing public transportation
- Establishes techniques for decision-making skills
- Develops skills for interviewing and securing employment
- Guidance with Free Application for Federal Student Aid (FAFSA®) and post-secondary education scholarship opportunities
- The youth identify goals and design their Plan for the Future®



HYC provides services for youth who are experiencing homelessness using a trauma-informed approach.

## HYC Creates Lasting Solutions

- Develops and executes implementation of Plan for the Future®
- Partners with employers for sustainable employment with training and growth opportunities (after graduation)
- Identifies permanent connection resources
- Continues HYC services for youth attending post-secondary education
- Provides after-care services for one year after high school graduation



## About the HYC Program

- On average, HYC provides services to more than 650 youth annually.
- HYC partners with more than 130 high schools in Maricopa County and in Flagstaff, AZ.
- Each youth is assigned a youth coach to guide and support them through graduation.
- On average, 90% of HYC seniors will graduate or enroll for a second senior year.
- Youth are identified as homeless under the McKinney-Vento Homeless Assistance Act.
- HYC provides services at no cost to the youth, schools, districts or the state.
- **HYC is a solution to homelessness** — recent research states that without a high school diploma, youth are 4.5 times more likely to experience homelessness later in life.\*

*\*Chapin Hall VOYC National Report*

## DID YOU KNOW?

**Nationally, 87% of youth experiencing homelessness are more likely to drop out of school than their stably-housed peers.\***

Youth who don't complete their high school education can impact the community through lost earnings, extra health care costs, increased crime, higher welfare spending, and lost worker productivity.\*\* **HYC plays an important role in ending youth homelessness and preventing chronic homelessness as these youth become adults.**

*\*Hidden in Plain Sight report \*\*Helios Arizona Mayors Education Round Table*

# GET INVOLVED TODAY!

*Your support makes a huge difference in the lives of youth experiencing homelessness.*



**There are many ways to get involved to support the youth in HYC's program. Below are just a few of the opportunities available:**

- Host a donation drive with your company, service organization, community or church
- Volunteer individually or as a group
- Become a host family and have the opportunity to work with HYC youth
- Coordinate a community fundraiser
- Become a monthly donor and support a youth in the program
- Participate in the Arizona Charitable Tax Credit program
- Sponsor a youth during the holidays
- Serve as an HYC advocate in your community
- Follow and support HYC on social media



**For more information, call  
(602) 847-4300 or visit:**

**[hycaz.org](https://hycaz.org)**



**Homeless Youth Connection, Inc.**  
**Financial Statements**  
for the Year Ended June 30, 2022

**HOMELESS YOUTH CONNECTION, INC.  
YEAR ENDED JUNE 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Homeless Youth Connection, Inc.

### **Report on Audit of Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Homeless Youth Connection, Inc. (HYC), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Homeless Youth Connection, Inc. as of June 30, 2022, 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Homeless Youth Connection, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HYC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 HYC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HYC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Report on Summarized Comparative Information***

We have previously audited Homeless Youth Connection, Inc.'s 2021 financial statements, and our report dated September 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 June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Scottsdale, Arizona  
September 23, 2022

**HOMELESS YOUTH CONNECTION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

<u>Assets</u>	2022	2021
Cash and cash equivalents	\$ 1,241,551	\$ 941,895
Contributions receivable	50,000	
Government grants receivable	30,529	66,389
Refund receivable	117,620	
Donated inventory	85,690	70,485
Deposits	4,556	4,556
Prepaid expenses	4,357	2,337
Property and equipment, net	22,786	1,396
Total assets	<u>\$ 1,557,089</u>	<u>\$ 1,087,058</u>
<u>Liabilities</u>		
Accounts payable	\$ 9,707	\$ 5,693
Accrued payroll	40,982	39,763
Total liabilities	<u>50,689</u>	<u>45,456</u>
<u>Net assets</u>		
Without donor restrictions:		
Undesignated	1,456,400	1,041,602
With donor restrictions:		
Time restricted	<u>50,000</u>	<u>          </u>
Total net assets	<u>1,506,400</u>	<u>1,041,602</u>
Total liabilities and net assets	<u>\$ 1,557,089</u>	<u>\$ 1,087,058</u>

**See accompanying notes to financial statements.**

**HOMELESS YOUTH CONNECTION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2022	2021
<b>Revenue, support, and gains:</b>				
Contributions	\$ 1,604,043	\$ 50,000	\$ 1,654,043	\$ 1,067,716
Contributions - in kind	304,325		304,325	263,443
PPP loan forgiveness				163,122
Government grants	390,699		390,699	330,817
Interest and dividends	2		2	8
Total revenue, support, and gains	<u>2,299,069</u>	<u>50,000</u>	<u>2,349,069</u>	<u>1,825,106</u>
<b>Expenses and losses:</b>				
Program services	1,643,173		1,643,173	1,319,597
Total program expenses	<u>1,643,173</u>		<u>1,643,173</u>	<u>1,319,597</u>
Supporting services				
Management and general	98,333		98,333	120,049
Fundraising	142,765		142,765	152,441
Total supporting services	<u>241,098</u>		<u>241,098</u>	<u>272,490</u>
Total expenses and losses	1,884,271		1,884,271	1,592,087
<b>Change in net assets</b>	414,798	50,000	464,798	233,019
<b>Net assets, beginning of year</b>	<u>1,041,602</u>		<u>1,041,602</u>	<u>808,583</u>
<b>Net assets, end of year</b>	<u>\$ 1,456,400</u>	<u>\$ 50,000</u>	<u>\$ 1,506,400</u>	<u>\$ 1,041,602</u>

See accompanying notes to financial statements.

**HOMELESS YOUTH CONNECTION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	Program Services	Supporting Services		Totals	
		Management and General	Fundraising	2022	2021
Salaries and wages	\$ 852,945	\$ 48,463	\$ 67,848	\$ 969,256	\$ 814,674
Payroll taxes	64,544	3,667	5,134	73,345	64,475
Employee benefits	55,026	3,126	4,377	62,529	50,217
Staff expenses	33,656	1,912	2,677	38,245	47,229
Youth empowerment services	207,739			207,739	172,857
In-kind donations distributed	318,495			318,495	262,143
Facilities costs	67,756	3,850	5,390	76,996	67,478
Accounting and tax services		26,321		26,321	27,362
Advertising and promotion		809	5,936	6,745	7,436
Bank charges		2,310	2,310	4,620	5,044
Meetings, conventions, etc.					1,340
Dues and subscriptions	1,185	67	94	1,346	893
Insurance - Officers and Directors	22,632	1,286	1,800	25,718	20,442
Information technology	8,130	2,323	18,584	29,037	22,811
Supplies and equipment	3,440	195	274	3,909	2,785
Postage and printing	1,790	2,387	25,663	29,840	14,863
Depreciation		836		836	465
Travel	170			170	4,573
Other	5,665	781	2,678	9,124	5,000
Total expenses	\$ 1,643,173	\$ 98,333	\$ 142,765	\$ 1,884,271	\$ 1,592,087

See accompanying notes to financial statements.

**HOMELESS YOUTH CONNECTION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022	2021
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 464,798	\$ 233,019
Adjustments to reconcile change in net assets to net cash provided by/used for operating activities:		
Depreciation expense	836	465
Changes in assets and liabilities:		
Contributions receivable	(50,000)	12,500
Government grants receivable	35,860	(66,389)
Refund receivable	(117,620)	
Donated inventory	(15,205)	(42,872)
Prepaid expenses	(2,020)	86
Accounts payable	4,014	(5,313)
Accrued payroll	1,219	8,943
Refundable advance		(4,331)
	321,882	136,108
<b>Net cash provided by/used for operating activities</b>		
<b>Cash flows from investing activities:</b>		
Purchase of equipment	(22,226)	
	(22,226)	
<b>Net cash provided by/used for investing activities</b>		
<b>Net increase/decrease in cash and cash equivalents</b>	299,656	136,108
<b>Cash and cash equivalents, beginning of year</b>	941,895	805,787
<b>Cash and cash equivalents, end of year</b>	\$ 1,241,551	\$ 941,895

See accompanying notes to financial statements.

**HOMELESS YOUTH CONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Homeless Youth Connection, Inc. (HYC) is an Arizona nonprofit organization. HYC was formed in 2010. HYC's mission is to eliminate barriers to education so that youth experiencing homelessness can graduate and create lasting solutions for a successful future. The majority of HYC's efforts are made possible through contributions. HYC serves homeless youth ages 13 to 21. These youth face numerous barriers to education, keeping many of them from completing high school or achieving post-secondary education. HYC partners with 130 high schools and serves 600 homeless youth annually.

HYC's Empowering Youth for the Future (EYFTF) program is a comprehensive social services program that engages high-school-age youth experiencing homelessness in trauma-informed, client-led, strengths-based interventions. Youth coaches work to gather with youth to identify needs related to academics, health, housing, hygiene, employment, and independent living skills.

HYC provides two options to address the housing needs of unaccompanied youth, transitional living and the host home model. The transitional living program provides dormitory style living accommodations which are supervised by trained and qualified staff on a full-time basis. The host family program is a low-cost, community engagement strategy involving faith-based communities, service organizations, school parent organizations, and nurturing individuals. The host family program connects homeless youth with caring adults from their own communities who are willing to provide safe and stable housing while HYC provides youth with comprehensive support.

**Basis of Accounting**

The financial statements of HYC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The financial statements of HYC have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to not-for-profit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing not-for-profit accounting and financial reporting principles. HYC is required to report information regarding its financial position and activities according to two classes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of HYC and changes therein are classified as follows:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed stipulations.

*Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of HYC and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds must be maintained in perpetuity.

**HOMELESS YOUTH CONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

**Use of Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the HYC's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, HYC considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Concentrations of Credit and Market Risk**

Financial instruments that potentially expose HYC to concentrations of credit and market risk consist primarily of cash equivalents. HYC maintains its cash and cash equivalents in bank deposit accounts. The Federal Deposit Insurance Corporation (FDIC) insures \$250,000 for substantially all depository accounts. For short periods of time, HYC's deposits may exceed FDIC limits. At year end, the carrying amount of HYC's deposits was \$1,241,551 and the bank balance was \$1,283,023. At year end, \$783,023 of HYC's deposits were uninsured and uncollateralized. To minimize risk, cash accounts are maintained at high-quality financial institutions and credit exposure is limited to any one institution.

**Contributions Receivable**

HYC recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

**HOMELESS YOUTH CONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in periods greater than one year are recorded at net present value of expected cash flows. The discount used to determine the present value of contributions receivable is computed using risk-free rates applicable to the years in which the promises were received, which was determined to be immaterial. Management does not believe an allowance for uncollectible amounts is necessary based on historical experience with donors, and accordingly has made no allowance for doubtful accounts.

**Government Grants Receivable**

A portion of HYC's revenue is derived from federal and local grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when HYC has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position. HYC was awarded cost-reimbursable grants of \$14,471 that have not been recognized at fiscal year end because qualifying expenditures have not yet been incurred.

Government grants receivable are considered by management to be collectible in full and, accordingly, an allowance for doubtful accounts is not considered necessary. All government grants receivable at June 30, 2022 are expected to be collected in less than one year.

**Property and Equipment**

All acquisitions of property and equipment with a cost in excess of \$1,000 and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets which is five years for furniture and equipment. Leasehold improvements, if any, are amortized over the term of the lease agreement. Depreciation expense for the current fiscal year was \$836.

**Compensated Absences**

Employees are entitled to personal time off (PTO), depending on job classification, length of service, and other factors. It is HYC's policy to recognize the cost of compensated absence when leave is earned by employees.

**HOMELESS YOUTH CONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Donated Services and In-Kind Contributions**

Donations of property, equipment and other non-cash goods are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, HYC reports expirations of donor restrictions when the donated or acquired assets are placed in service. HYC reclassifies net assets with donor restrictions to net assets without restrictions at that time.

Volunteers contribute significant amounts of time to HYC’s program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed in generally accepted accounting principles.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages, payroll taxes, employee benefits and staff expenses	Time and effort
Facilities costs	Time and effort

**Advertising**

HYC uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the current fiscal year, advertising costs totaled \$6,745.

**Income Tax Status**

HYC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar State of Arizona tax provisions. In addition, HYC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). HYC’s Form 990, *Return of Organization Exempt from Income Taxes*, is generally subject to examination by the Internal Revenue Service for three years after the date filed.

**HOMELESS YOUTH CONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Management has evaluated the tax positions taken or expected to be taken, if any, on its exempt organization filings, and the likelihood that upon examination those positions would be sustained. Based on the results of this evaluation, management believes there are no uncertain tax positions.

**New Accounting Pronouncement**

During the fiscal year, HYC adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The update increases transparency of contributed nonfinancial assets through enhancements to presentation and disclosures. The adoption did not have a significant impact on HYC's financial statements.

**Recent Accounting Pronouncements Issued Not Yet Effective**

In February 2016, the FASB issued ASU Update 2016-02, *Leases* (Topic 842). The ASU will require entities to recognize assets and liabilities for both capital and operating leases with lease terms of more than 12 months on the Statement of Financial Position. This ASU is effective for fiscal years beginning after December 15, 2021. HYC is currently evaluating the effect that this pronouncement will have on its financial statements and related disclosures.

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

The following represents HYC's financial assets at fiscal year end:

Financial assets at year end:	
Cash and cash equivalents	\$ 1,241,551
Contributions receivable	50,000
Government grants receivable	30,529
Total financial assets	<u>1,322,080</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	50,000
Less: Net assets with time restrictions to be met in less than a year	<u>25,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,297,080</u>

HYC regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. HYC's goal is generally to maintain financial assets to meet six months of operating expenses.

**HOMELESS YOUTH CONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3 – FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that HYC would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting standards establish a three-tier fair value hierarchy that prioritizes the inputs to valuation techniques. Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Observable inputs are those that reflect the assumptions that market participants would use in pricing the asset and are based on market data obtained from independent sources. Unobservable inputs reflect HYC’s assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1: Quoted prices in active markets for identical investments.
- Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Unobservable inputs for the asset or liability.

The level of fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Certain items included as donated inventory may be Level 3 as the values may not be observable. The majority of items donated are new, therefore inputs used in the valuation of donated inventory include average per unit values that are based on retail values for like items.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) are as follows:

	Donated Inventory
Beginning of year	\$ 70,485
In-kind donations	304,325
Distributions	(289,120)
End of year	\$ 85,690

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**NOTE 4 – REFUND RECEIVABLE**

HYC is eligible for the Employee Retention Credit (ERC) under the CARES and Consolidated Appropriations Acts. The total credit is equal to 70 percent of qualified wages paid to employees during calendar year 2021 for a maximum credit of \$7,000 per employee. During the fiscal year ended, June 30, 2022, HYC claimed credits of \$117,620 which have been reported as a refund receivable on the Statement of Financial Position and as governmental grant revenue on the Statement of Activities.

**NOTE 5 – NET ASSETS**

Net assets with donor restrictions are as follows:

Passage of Time		
Contribution receivable due in 2023	\$	25,000
Contribution receivable due in 2024		<u>25,000</u>
Total	\$	<u>50,000</u>

**NOTE 6 – OPERATING LEASE COMMITMENTS**

HYC leases office space and buildings used in the transitional living program under noncancelable operating leases with terms of one to five years. Total rent expense incurred under operating leases totaled \$84,357 during the fiscal year. At June 30, 2022, the future minimum rental payment required under the operating lease, due in fiscal year 2023, is \$80,584.

**NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following.

Tenant improvements	\$	19,693
Furniture and equipment		<u>4,859</u>
Total property and equipment		24,552
Less: Accumulated depreciation and amortization		<u>(1,766)</u>
Net property and equipment	\$	<u>22,786</u>

**HOMELESS YOUTH CONNECTION, INC.**  
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**NOTE 8 – PAYCHECK PROTECTION PROGRAM (PPP) LOAN**

HYC received a second Payroll Protection Program (PPP) loan on February 12, 2021 in the amount of \$158,791. HYC applied for forgiveness of the loan on August 17, 2021. On September 21, 2021, HYC received notice that the loan was forgiven in full.

**NOTE 9 – CONTRIBUTED NONFINANCIAL ASSETS**

HYC received the following contributions of nonfinancial assets during the fiscal year:

Clothing and household supplies	\$ 292,717
Gift cards	<u>11,608</u>
Total	<u>\$ 304,325</u>

HYC maintains an inventory of donated non-cash goods such as clothing, backpacks, hygiene, school supplies and similar merchandise. HYC youth coaches assist in distributing these goods to teens in need and HYC also distributes the goods to school districts in which HYC provides services, so that they may set up resource closets where teens can take what they need free of charge. HYC utilized two inventory valuation methods during the year based on whether the items were new or used. For new items, the valuation is based on average per unit values that are based on retail values for like items. For used items, the value is based on a percentage of the price located on a publicly available website for like items. HYC also maintains an inventory of donated gift cards in small values for local fast food restaurants, grocery and clothing stores where teens visit. These cards are distributed on an as needed basis by youth coaches for the Empowering Youth for the Future Program and are valued at face value.

**NOTE 10 - CONCENTRATIONS**

For the year ended June 30, 2022, HYC received \$250,000 from one donor, which represents 11 percent of HYC's total revenue.

**NOTE 11 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 23, 2022, which is the date the financial statements were available to be issued.

In July 2022, HYC received notice that they have been approved to receive a \$1.0 million grant from the Arizona Department of Housing to purchase a transitional housing facility in Flagstaff.

Effective July 1, 2022, HYC expanded the transitional living program by entering into a new lease for a facility in Central Phoenix that will provide up to 20 beds. The new facility will also house administrative operations.