

**JACKSONVILLE URBAN LEAGUE, INC.**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2012**

**JACKSONVILLE URBAN LEAGUE, INC.**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1</b>
 <b>FINANCIAL STATEMENTS:</b>	
Statement of Financial Position .....	3
Statement of Activities.....	4
Statement of Cash Flows .....	5
Notes to Financial Statements.....	6
 <b>REPORTS IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS OF THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO), PROVISIONS OF THE U.S. OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133 AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL:</i></b>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	11
Independent Auditor’s Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.650, Rules of Auditor General.....	13
 <b>SUPPLEMENTAL INFORMATION:</b>	
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	15
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	17
Schedule of Finding and Questioned Costs – Federal Programs and State Projects.....	18
Schedule of Support and Expenses .....	19



**Harbeson, Fletcher & Bateh, LLP**

Certified Public Accountants

E. Cobb Harbeson  
John C. Fletcher, Jr.  
Raymond Z. Bateh  
M. Ronald Hargraves, Jr.

**INDEPENDENT AUDITORS' REPORT**

January 28, 2013

To the Board of Directors  
Jacksonville Urban League, Inc.

We have audited the accompanying statement of financial position of Jacksonville Urban League, Inc. as of September 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jacksonville Urban League, Inc., as of September 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2013 on our consideration of Jacksonville Urban League, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Board of Directors  
Jacksonville Urban League, Inc.  
January 28, 2013  
Page Two

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, *Rules of the State of Florida Office of the Auditor General*, and is not a required part of the basic financial statements. Also, the schedule on page 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Harbeson, Fletcher & Batch, LLP*

**JACKSONVILLE URBAN LEAGUE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2012**

**ASSETS**

**CURRENT ASSETS:**

Cash	\$ 200,790
Certificates of deposit	110,917
Grants and contracts receivable	867,332
Other receivables	7,410
Prepaid expenses	<u>335,528</u>
<b>Total Current Assets</b>	<b><u>1,521,977</u></b>

**PROPERTY AND EQUIPMENT:**

Equipment and leasehold improvements	718,740
Accumulated depreciation	<u>(367,939)</u>
<b>Total Property and Equipment, Net</b>	<b><u>350,801</u></b>

**\$1,872,778**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Accounts payable	\$ 31,933
Accrued payroll and payroll taxes	623,612
Accrued expenses	50,471
Deferred revenue	<u>20,730</u>
<b>Total Current Liabilities</b>	<b><u>726,746</u></b>

**NET ASSETS:**

Unrestricted:	
Undesignated	1,017,813
Board designated	<u>128,219</u>
<b>Total Net Assets</b>	<b><u>1,146,032</u></b>

**\$1,872,778**

See Accompanying Notes and Independent Auditor's Report.

**JACKSONVILLE URBAN LEAGUE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2012**

**UNRESTRICTED NET ASSETS**

**Support:**

Government grants	\$18,493,486
Other grants	232,500
Donations	169,256
Fundraising	157,435
Interest and other	1,505
In-kind contributions	<u>2,097,584</u>
Total support	<u>21,151,766</u>

**Expenses:**

Program services:	
Head Start	15,263,079
U.S. Department of Agriculture	2,330,235
Voluntary Pre-kindergarten Education Program	1,341,613
Youth Crime Prevention	231,956
Black on Black Crime Prevention	27,848
Early Literacy Program	113,758
Community Partnership	137,653
National Urban League:	
Housing Counseling	17,668
National Foreclosure Mitigation Counseling	12,187
Other	86,261
WIA Youth Activities	78,622
State Housing Initiative Partnership	11,439
Other Programs	<u>3,431</u>
	19,655,750
Support services:	
Administration	1,542,816
Fundraising	<u>233,999</u>
Total expenses	<u>21,432,565</u>

**Decrease in Net Assets** (280,799)

**Net Assets, Beginning of Year** 1,426,831

**Net Asset, End of Year** \$ 1,146,032

See Accompanying Notes and Independent Auditor's Report.

**JACKSONVILLE URBAN LEAGUE, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2012**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Decrease in net assets	\$ (280,799)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	14,344
(Increase) decrease in operating assets:	
Grants and contracts receivable	(406,028)
Other receivables	(2,974)
Prepaid expenses	(108,156)
Certificate of deposit	16,889
Increase (decrease) in operating liabilities:	
Accounts payable	(167,006)
Accrued payroll and payroll taxes	124,234
Accrued expenses	(106,078)
Deferred revenue	<u>(47,795)</u>
Net cash used in operating activities	<u>(963,369)</u>
 <b>NET DECREASE IN CASH</b>	 (963,369)
 <b>CASH, BEGINNING OF YEAR</b>	 <u>1,164,159</u>
 <b>CASH, END OF YEAR</b>	 <u>\$ 200,790</u>

See Accompanying Notes and Independent Auditor's Report.

**JACKSONVILLE URBAN LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**Note 1 – Summary of Significant Accounting Policies**

**Organization**

Jacksonville Urban League, Inc. (the Organization) is a non-profit organization engaged in the administration of federal, state, and local grants intended to aid in the reduction of the effects of poverty on the economically disadvantaged. It is all dependent on contributions and grants as its sources of funds. All of its services and programs are provided in the northeast Florida area.

**Basis of Financial Statement Presentation**

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

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no temporarily or permanently restricted net assets at September 30, 2012.

**Income Taxes**

The Organization is a not-for-profit entity that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. The Organization believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

**Cash and Cash Equivalents**

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

**Property and Equipment**

Expenditures for consumable supplies and equipment purchases are charged directly to program operations if the grantor holds title or has a reversionary interest in these items. All other expenditures of property and equipment in excess of \$5,000 are capitalized. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets.

**Recognition of Grantor/Donor Restrictions**

Support that is restricted by the grantor/donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other grantor/donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

### **Management Estimates and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Subsequent Events**

In accordance with FASB ASC 855, *Subsequent Events*, management has evaluated subsequent events through January 28, 2013, the date financial statements were available to be issued.

### **Note 2 – Concentration of Credit Risks**

At times, cash balances held at financial institutions were in excess of FDIC insurance limits. The Organization maintains all of its cash investments with high-credit, quality financial institutions. The Organization did not have any excess of federally insured limits at September 30, 2012.

A significant portion (72%) of the Organization's revenue was earned through the Department of Health and Human Services in conjunction with the Head Start Program.

### **Note 3 – Grants and Contracts Receivable**

Grants and contracts receivable at September 30, 2012 are summarized as follows:

U.S. Department of Health and Human Services - Head Start program	\$371,700
Early Learning Coalition – VPK Program	124,108
U.S. Department of Agriculture	251,318
Early Learning Partnership/Rally Jax Program	64,315
National Urban League	29,951
Wells Fargo	10,000
Hospice Services, LLC – Health Initiative Grant	12,500
Other	<u>3,440</u>
	<u>\$867,332</u>

### **Note 4 – Donated Supplies, Facilities, Equipment and Services**

Significant services, supplies, equipment and facilities are donated to the Organization by various individuals and other Organizations. Donated materials and facilities were recorded at fair market value at the date of donation, and have been included in support and expenses for the year.

Donated non-professional services have not been recognized in the Statement of Activities because the criteria for recognition under FASB ASC 908-605-25-16 have not been satisfied. This value is based on time sheets maintained on the volunteers, using reasonable rates. Both recognized and unrecognized donations are summarized as follows:

	<b><u>Head Start</u></b>
Professional services	\$ 383,659
Facilities	1,304,083
Consumables, supplies and equipment	<u>409,842</u>
Total in-kind contributions reflected in Statement of Activities	2,097,584
Non-professional services	<u>1,948,091</u>
Total in-kind contributions	<u>\$4,045,675</u>

#### **Note 5 – Retirement Plan**

The Organization has established a tax-deferred annuity for all eligible employees. Employees become eligible upon completion of one year of service. Employer contributions are 7% of eligible employee salaries. Employer contributions vest after three years of service. Employees are allowed to contribute up to 15% of their salary, subject to IRS maximum contribution limits.

The Organization incurred \$604,244 in retirement costs for the year ended September 30, 2012.

#### **Note 6 – Financial Instruments**

The Organization's financial instruments consists of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses. It is management's opinion that the Organization is not exposed to significant interest rate or credit risk arising from these instruments. Unless otherwise noted, the fair values of these financial instruments are the market values of these financial instruments, and approximate their carrying values.

#### **Note 7 – Fundraising Expense**

Total fundraising expense for the year ended September 30, 2012 was \$233,999. Fundraising expenses relate to the annual Equal Opportunity Luncheon and the annual Golf Tournament.

**Note 8 – Leases**

The Organization leases facilities, various office equipment and vehicles under operating leases. Minimum lease commitments outstanding under operating leases at September 30, 2012 are as follows:

<b><u>Year Ending September 30,</u></b>	<b><u>Amount</u></b>
2013	\$ 98,944
2014	87,477
2015	18,156
2016	<u>672</u>
	<u>\$205,249</u>

Total rental expense was \$467,734 for the year ended September 30, 2012.

**Note 9 – Compensated Absences**

**Annual Leave** – Full-time employees accrue annual leave at rates that vary based on years of service. Annual leave accrued is required to be paid upon termination and, accordingly, has been recorded as a liability. Accrued annual leave totaled \$255,373 as of September 30, 2012.

**Sick Leave** – Full-time employees accrue sick leave at rates that vary based on years of service. Sick leave accrued is not required to be paid upon termination and, accordingly, has not been recorded as a liability.

**Note 10 – Related Parties**

The Organization has an affiliation with the Jacksonville Urban League Economic and Community Development Foundation, Inc. (Foundation). The Organization rents its administrative office space and one Head Start Center from the Foundation. Rent paid was \$182,288 for the year ended September 30, 2012.

**Note 11 – Contingencies**

Grants and contracts require the fulfillment of certain conditions set forth in the grant or contract. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the possibility remains, management deems the contingency remote, as by accepting awards and their terms, it has accommodated the objectives of the Organization to the provisions of the grant.

The Organization, in the normal course of business, is subject to claims and litigation. Although the ultimate disposition of these legal matters cannot be predicted with certainty, it is the present opinion of the Organization’s management that the outcome of the current litigation will not have a material effect on the financial condition of the Organization.

**Note 12 – Subsequent Event**

The Organization has been a party in an ongoing lawsuit related to two Head Start employees claiming they were terminated in violation of the Collective Bargaining Agreement. On January 5, 2013 the Organization was notified they lost the lawsuit in arbitration and the plaintiffs were awarded \$141,710 which represented back wages and benefits. This amount has been accrued at September 30, 2012.

**Note 13 – Schedule of Receipts and Expenditures – City of Jacksonville**

**City of Jacksonville – Jacksonville Early Learning Program:**

Receipt of Funds

Grant Number	4192-52	4192-54
Grant Period	<u>10/1/10-9/30/11</u>	<u>10/1/11-9/30/12</u>
Amount of Award	\$200,000	\$120,269
Funds received – prior audit period	(113,770)	-
Fund received – current audit period	(85,937)	(55,943)
Due from City – 9/30/12	<u>-</u>	<u>(64,315)</u>
Amount remaining	\$ <u>293</u>	\$ <u>11</u>

Expenditure of Funds

Grant Number 4192-54:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Salaries & benefits	\$ 52,017	\$ -	\$52,013	\$ 52,013	\$ 4
Management & general	11,751	-	11,751	11,751	-
Program supplies	11,677	-	11,677	11,677	-
Equipment rental	3,000	-	3,000	3,000	-
Insurance	1,500	-	1,500	1,500	-
Telephone	4,295	-	4,294	4,294	1
Learning materials and training	8,803	-	8,799	8,799	4
Staff travel (non-amusement)	2,063	-	2,062	2,062	1
Office expenses	2,217	-	2,217	2,217	-
Program consultants	<u>22,946</u>	<u>-</u>	<u>22,945</u>	<u>22,945</u>	<u>1</u>
Total	\$ <u>120,269</u>	\$ <u>-</u>	\$ <u>120,258</u>	\$ <u>120,258</u>	\$ <u>11</u>



**Harbeson, Fletcher & Bateh, LLP**

Certified Public Accountants

E. Cobb Harbeson  
John C. Fletcher, Jr.  
Raymond Z. Bateh  
M. Ronald Hargraves, Jr.

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

January 28, 2013

To the Board of Directors of  
Jacksonville Urban League, Inc.

We have audited the financial statements of Jacksonville Urban League, Inc. as of and for the year ended September 30, 2012, and have issued our report thereon dated January 28, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Jacksonville Urban League, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jacksonville Urban League, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Directors of  
Jacksonville Urban League, Inc.  
January 28, 2013  
Page Two

**Compliance and Other Matters**

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

This report is intended solely for the information and use of the Board of Directors, finance committee, management, Federal and state-awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Harbeson, Fletcher & Bateh, LLP*



**Harbeson, Fletcher & Bateh, LLP**

Certified Public Accountants

E. Cobb Harbeson  
John C. Fletcher, Jr.  
Raymond Z. Bateh  
M. Ronald Hargraves, Jr.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

January 28, 2013

To the Board of Directors of  
Jacksonville Urban League, Inc.

**Compliance**

We have audited Jacksonville Urban League, Inc.'s compliance with the types of compliance requirements described in OMB *Circular A-133 Compliance Supplement*, and the requirements described in the Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of Jacksonville Urban League, Inc.'s major federal programs and state projects for the year ended September 30, 2012. Jacksonville Urban League, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of Jacksonville Urban League, Inc.'s management. Our responsibility is to express an opinion on Jacksonville Urban League, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Jacksonville Urban League, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Jacksonville Urban League, Inc.'s compliance with those requirements.

In our opinion, Jacksonville Urban League, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2012.

-13-

637 Park Street • Jacksonville, FL 32204 • (904) 356-6023 • Fax (904) 353-5836

Members of The American Institute of Certified Public Accountants and The Florida Institute of Certified Public Accountants

To the Board of Directors of  
Jacksonville Urban League, Inc.  
January 28, 2013  
Page Two

**Internal Control Over Compliance**

Management of Jacksonville Urban League, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered Jacksonville Urban League, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with OMB Circular A-133 and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jacksonville Urban League, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Board of Directors, finance committee, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Harbeson, Fletcher & Bateh, LLP*

## **SUPPLEMENTAL INFORMATION**

**JACKSONVILLE URBAN LEAGUE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED SEPTEMBER 30, 2012**

**FEDERAL AWARDS**

<b><u>Federal/State Agency, Pass-through Entity/ Federal Program/State Project</u></b>	<b><u>CFDA Number</u></b>	<b><u>Contract/ Grant Number</u></b>	<b><u>Expenditures</u></b>
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Direct program:</i>			
Head Start Grant	93.600	04CH0592/16	\$15,254,889
<b><u>U.S. Department of Agriculture</u></b>			
<i>Passed through State of Florida</i>			
<i>Department of Health:</i>			
Child and Adult Care Food Program	10.558	S-0367	1,440,869
Child and Adult Care Food Program	10.558	S-3495	42,566
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Passed through National Urban League:</i>			
Housing Counseling Assistance Program	14.169		38,993
<b><u>U.S. Department of the Treasury</u></b>			
<i>Passed through National Urban League:</i>			
National Foreclosure Mitigation Counseling	21.000		24,355
<b><u>U.S. Department of Labor</u></b>			
<i>Passed through First Coast Workforce Development, Inc.</i>			
WIA Youth Activities	17.259	FCWD2012-D(O)	<u>74,007</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$16,875,679</u></b>

See Accompanying note to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**JACKSONVILLE URBAN LEAGUE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED SEPTEMBER 30, 2012**

**STATE FINANCIAL ASSISTANCE**

<b><u>Federal/State Agency, Pass-through Entity/ Federal Program/State Project</u></b>	<b><u>CSFA Number</u></b>	<b><u>Contract/ Grant Number</u></b>	<b><u>Expenditures</u></b>
<b><u>State of Florida, Department of Legal Affairs</u></b>			
<i>Passed through Broward County Urban League:</i>			
Youth Crime Prevention and Intervention	41.005		280,805
Black-On-Black Crime Prevention	41.012		46,532
<b><u>State of Florida, Agency for Workforce Innovation</u></b>			
<i>Passed through Early Learning Coalition of Duval County:</i>			
Voluntary Pre-Kindergarten Education Program	48.108		1,198,954
<b>Total Expenditures of State Financial Assistance</b>			<b><u>\$1,526,291</u></b>

See Accompanying note to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**JACKSONVILLE URBAN LEAGUE, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED SEPTEMBER 30, 2012**

**Note 1 – Basis of Accounting:**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Jacksonville Urban League, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**JACKSONVILLE URBAN LEAGUE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –**  
**FEDERAL PROGRAMS AND STATE PROJECTS**  
**YEAR ENDED SEPTEMBER 30, 2012**

**Section A – Summary of Auditor’s Results:**

1. The auditor’s report expresses an unqualified opinion on the (general purpose) financial statements of Jacksonville Urban League, Inc.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Jacksonville Urban League, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs or state projects were identified during the audit.
5. The auditor’s report on compliance for the major federal award programs and state projects for Jacksonville Urban League, Inc. expresses an unqualified opinion.
6. There were no reportable audit findings relative to major federal award programs or state projects for Jacksonville Urban League, Inc.
7. The Federal programs tested as a major program:
  - U.S. Department of Health and Human Services:
    - Head Start, CFDA #93.600
  - U.S. Department of Agriculture:
    - Child and Adult Care Food Program, CFDA #10.558The State projects tested as a major program:
  - State of Florida, Agency for Workforce Innovation through Early Learning Coalition of Duval County:
    - Voluntary Pre-Kindergarten Education Program, CSFA #48.108
8. Determination of Type A programs were defined as programs with total federal expenditures greater than \$506,270 and state expenditures greater than \$300,000 for the year under audit. All other programs were defined as Type B programs.
9. Jacksonville Urban League, Inc. was determined to be a low-risk auditee pursuant to OMB Circular A-133.
10. A management letter was not required under Section 215.97, *Florida Statutes*, because there were no findings required to be reported and a Summary Schedule of Prior Audit Findings was not required because there were no prior audit findings related to Federal programs or State projects.

**Section B – Findings – Financial Statement Audit:**

None – as stated in Section A above.

**Section C – Findings and Questioned Costs – Major Federal Award Programs Audit:**

None – as stated in Section A above.

**JACKSONVILLE URBAN LEAGUE, INC.**  
**SCHEDULE OF SUPPORT AND EXPENSES – BUDGET AND ACTUAL**  
**HEAD START GRANT NUMBER 04CH0592/16**  
**CONTRACT PERIOD 10/01/11 TO 09/30/12**

	<b><u>Approved Budget</u></b>	<b><u>Actual</u></b>	<b><u>(Over) Under</u></b>
<b>Support</b>			
HHS funds awarded	\$15,254,889	\$15,254,889	\$ -
Grantee's contributions:			
In-kind	<u>3,945,190</u>	<u>4,045,676</u>	<u>100,486</u>
<b>Total support</b>	<u>19,200,079</u>	<u>19,300,565</u>	<u>100,486</u>
<b>Expenses</b>			
Direct costs:			
Personnel	8,885,421	8,537,443	347,978
Fringe benefits	3,075,119	2,308,105	767,014
Travel	17,000	41,174	(24,174)
Equipment	2,000	19,291	(17,291)
Supplies	183,439	97,029	86,410
Contractual	538,669	457,513	81,156
Other costs	1,141,810	1,776,340	(634,530)
USDA costs	<u>-</u>	<u>832,723</u>	<u>(832,723)</u>
<b>Total direct costs</b>	13,843,458	14,069,618	(226,160)
Indirect costs	<u>1,411,431</u>	<u>1,185,271</u>	<u>226,160</u>
<b>Total HHS funds</b>	<u>15,254,889</u>	<u>15,254,889</u>	<u>-</u>
<b>Grantee's Share</b>			
Personnel	1,200,000	1,028,996	171,004
Professional services	380,000	381,956	(1,956)
Facilities	1,692,667	1,196,231	496,436
Consumables, supplies, and equipment	58,271	2,869	55,402
Other	<u>614,252</u>	<u>1,435,624</u>	<u>(821,372)</u>
<b>Total grantee's share</b>	<u>3,945,190</u>	<u>4,045,676</u>	<u>(100,486)</u>
<b>Total expenses</b>	<u>19,200,079</u>	<u>19,300,565</u>	<u>(100,486)</u>
<b>Support over Expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>