

**URBAN LEAGUE  
OF PALM BEACH COUNTY, INC**

FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013  
TOGETHER WITH REPORT OF INDEPENDENT ACCOUNTANT

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.  
 FINANCIAL STATEMENTS  
 AND ADDITIONAL INFORMATION  
 JUNE 30, 2013**

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# **FINANCIAL STATEMENTS**

# STEVEN J. CORSO

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## Independent Auditor's Report

Board of Directors  
Urban League of Palm Beach County, Inc.  
West Palm Beach, Florida

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Urban League of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## ***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Urban League of Palm Beach County, Inc. as of June 30, 2013, 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.

## ***Other Matters***

### *Other Information*

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated October 14, 2013, on my consideration of Urban League of Palm Beach County, Inc.'s internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Urban League of Palm Beach County, Inc.'s internal control over financial reporting and compliance.



Steven J. Corso, CPA  
West Palm Beach, Florida  
October 14, 2013

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2013**

	FUNDS		<u>TOTAL</u>
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	
<b><u>ASSETS</u></b>			
Cash	\$ 98,762	\$ 11,712	\$ 110,474
Grants & Other Receivable	515,812	0	515,812
Allowance For Bad Debts	(20,750)	0	(20,750)
Prepaid Expenses	1,925	0	1,925
Building, Land & Equipment	658,443	0	658,443
Less Accumulated Depreciation	<u>(399,641)</u>	<u>0</u>	<u>(399,641)</u>
<b>Total Assets</b>	<b><u>\$ 854,551</u></b>	<b><u>\$ 11,712</u></b>	<b><u>\$ 866,263</u></b>
 <b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 45,707	\$ 0	\$ 45,707
Accrued Expenses	85,378	0	85,378
Deferred Revenue	79,412	0	79,412
Notes Payable	<u>212,798</u>	<u>0</u>	<u>212,798</u>
Total Liabilities	<u>423,295</u>	<u>0</u>	<u>423,295</u>
 <b><u>NET ASSETS</u></b>	 <u>431,256</u>	 <u>11,712</u>	 <u>442,968</u>
Total Liabilities & Net Assets	<b><u>\$ 854,551</u></b>	<b><u>\$ 11,712</u></b>	<b><u>\$ 866,263</u></b>

Read Accompanying Notes

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>FUNDS</b>		<b>TOTAL</b>
	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	
<b>SUPPORT &amp; REVENUE</b>			
Grants & Contributions	\$ 1,864,332	\$ 11,712	\$ 1,876,044
Fund Raising Events	208,830	0	208,830
Direct Exp. to Fund Raising Events	(63,702)	0	(63,702)
Membership Dues	11,148	0	11,148
Program Income	6,924	0	6,924
Interest Income	45	0	45
Net Assets Released From Restriction	0	0	0
Total Revenue	2,027,577	11,712	2,039,289
<b>EXPENSES</b>			
<b>Program Services</b>	1,754,948	0	1,754,948
<b>Support Services</b>			
General & Administrative	213,446	0	213,446
Fund Raising	19,409	0	19,409
Total Support Services	232,855	0	232,855
Total Expenses	1,987,803	0	1,987,803
<b>CHANGE IN NET ASSETS</b>	39,774	11,712	51,486
<b>BEGINNING NET ASSETS</b>	391,482	0	391,482
<b>ENDING NET ASSETS</b>	\$ 431,256	\$ 11,712	\$ 442,968

Read Accompanying Notes

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>FUNDS</b>		
	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	<b>TOTAL</b>
<b>Cash Flows From Operating Activities:</b>			
Grants & Contributions Received	\$ 1,711,618	\$ 11,712	\$ 1,723,330
Fundraising Revenue Received	208,830	0	208,830
Membership Dues Received	11,148	0	11,148
Interest Received	45	0	45
Other Income	6,924	0	6,924
Fundraising Expenses Paid	(63,702)	0	(63,702)
Operating Expenses Paid	(1,926,567)	0	(1,926,567)
Net Assets Released From Restriction	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Cash Provided from Operating Activities:</b>	<u>(51,704)</u>	<u>11,712</u>	<u>(39,992)</u>
<b>Cash Flows From Investing Activities:</b>			
Purchase of Equipment	<u>(85,243)</u>	<u>0</u>	<u>(85,243)</u>
<b>Net Cash Provided from Investing Activities:</b>	<u>(85,243)</u>	<u>0</u>	<u>(85,243)</u>
<b>Cash Flows From Financing Activities:</b>			
Net Change In Notes Payable	110,995	0	110,995
Due To Temporarily Restricted	0	0	0
Due To Other Organization	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Cash Provided from Financing Activities:</b>	<u>110,995</u>	<u>0</u>	<u>110,995</u>
<b>Net Increase In Cash</b>	<u>(25,952)</u>	<u>11,712</u>	<u>(14,240)</u>
Cash At Beginning of Year	<u>124,714</u>	<u>0</u>	<u>124,714</u>
<b>Cash At End of Year</b>	<u>\$ 98,762</u>	<u>\$ 11,712</u>	<u>\$ 110,474</u>

Read Accompanying Notes



**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

<b><u>EXPENSES</u></b>	<b><u>Program Services</u></b>	<b><u>General &amp; Admin</u></b>	<b><u>Fund Raising</u></b>	<b><u>Total</u></b>
Advertising & Marketing	\$ 5,309	\$ 0	\$ 0	\$ 5,309
Auto Expense	9,708	2,063	364	12,135
Bad Debt	22,757	0	0	22,757
Building Rent	14,787	3,142	554	18,483
Contributions	2,790	0	0	2,790
Depreciation	12,385	1,584	432	14,401
Dues & Subscriptions	10,009	2,127	375	12,511
Employee Health & Benefits	73,182	11,062	851	85,095
Equipment Exp. & Lease	12,138	2,579	455	15,172
Insurance	17,174	3,649	644	21,467
Interest	7,952	1,155	0	9,107
Licenses & Taxes	2,689	551	0	3,240
Local Travel	8,707	725	710	10,142
Miscellaneous	11,105	2,275	0	13,380
Office Supplies & Expenses	9,119	1,938	341	11,398
Outside Services	15,156	0	0	15,156
Postage & Delivery	2,645	562	99	3,306
Printing & Reproduction	5,976	1,270	224	7,470
Professional Fees	15,096	12,550	0	27,646
Program	380,735	0	0	380,735
Rental Assistance	19,721	0	0	19,721
Repairs & Maintenance	29,698	6,083	0	35,781
Salary & Wages	1,009,200	152,553	11,735	1,173,488
Service Charges	0	1,363	0	1,363
Telephone	17,611	1,468	1,887	20,966
Training & Development	8,903	0	0	8,903
Travel	10,712	564	0	11,276
Utilities	19,684	4,183	738	24,605
<b>Total Expenses</b>	<b><u>\$ 1,754,948</u></b>	<b><u>\$ 213,446</u></b>	<b><u>\$ 19,409</u></b>	<b><u>\$ 1,987,803</u></b>

Read Accompanying Notes

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**1. General Description of Activities:**

The Urban League of Palm Beach County, Inc. (the "Organization") was established in 1974 under the laws of the State of Florida as a nonprofit community organization to promote economic, educational, charitable, and social services for people disadvantaged by reason of race, color, or national origin in Palm Beach County.

**2. Summary of Significant Accounting Policies:**

The significant accounting policies that follow are presented to enhance the usefulness of the financial statements to the reader.

**Basis of Presentation**

The Organization follows standards of accounting and financial reporting prescribed for not-for-profit organizations. The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Financial Statement Presentation**

The Organization is required to report 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. In addition, the Organization is required to present a statement of cash flows and a statement of functional expense.

**Promises to Give**

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give noncash assets that are expected to be received in future years are recorded at the present value of the expected fair value of the underlying noncash assets expected to be received. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Any changes in the expected fair value of underlying noncash assets are reported as increases and decreases in contribution revenue in the period the change occurs. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**2. Summary of Significant Accounting Policies, Continued:**

**Allocation of Common Costs**

The costs of providing the various programs and other activities have been detailed in the statement of functional expenses and summarized on a functional basis in the statement of activities. Expenses which are associated with a specific program or activity are charged directly to that program or activity. Indirect expenses are allocated to the various programs and activities based on the number of employees.

**Restricted and Unrestricted Revenue and Support**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Restricted contributions whose restrictions are met during the fiscal year are shown as unrestricted.

The Organization reports gifts of cash and other assets as an increase in unrestricted, temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Federal and State grant awards are classified as refundable advances until expended for the purposes of the grant since they are conditional promises to give. Unrestricted support increases unrestricted net assets.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been made in the accompanying financial statements.

**Donated Materials and Services**

The Organization receives donated services. No amounts have been reflected in the financial statements for such donated services since the services did not require specialized skills. Donated professional services, if any, would be reflected in the statement of activities at their fair value; however, a substantial number of volunteers have donated significant amounts of their time in the organization's program services and in its fund-raising campaigns.

Materials and other assets received as donations are recorded and reflected in the financial statements at their fair values at the date of receipt. These donations have been recorded in the financial statements as individual contributions.

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**2. Summary of Significant Accounting Policies, Continued:**

**Concentration of Risk**

The Organization is dependent on funding from state and local governments and various other contributors. The amount of contributions is dependent on the funds available and the budgets at the state and local levels. Lack of funding could have a significant detrimental effect on the continued operations of the Organization.

**Date of Management Review**

Subsequent events have been evaluated through October 14, 2013, which is the date the financial statements were issued.

**3. Property and Equipment:**

Generally accepted accounting principles require property and equipment purchased by the Organization to be recorded at historical cost, and donated property and equipment are to be recorded at the estimated fair market value when donated. Donations are reported as unrestricted support 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 restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Those assets donated with donor stipulations regarding permanent restrictions for a certain use are included as permanently restricted.

Major additions which materially increase the value of the property are capitalized and depreciated over the life of the asset. Maintenance and repairs are charged to expense as incurred. Depreciation expense has been computed using the straight-line method over their useful lives ranging from 5 to 30 years. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$500.

**4. Grants and Contracts Receivable:**

The Organization receives financial assistance from federal, state, and local governmental agencies in the form of grants. The disbursement of funds received under those programs generally require compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Organization. However, in the opinion of management, such disallowance of claims, if any, would not have a material effect on the overall financial position of the Organization at June 30, 2013.

Grants and contracts receivable represent program expenses incurred for which payment was not received by the Organization as of June 30, 2013. The balance of \$495,062 at June 30, 2013, is the net receivables to the allowance for bad debt.

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**5. Building, Land & Equipment:**

Autos & Trucks	\$ 91,112
Buildings	383,947
Leasehold Improvements	55,662
Computers & Equipment	86,075
Furniture & Fixtures	28,584
Lots	<u>13,063</u>
	658,443
Accumulated Depreciation	<u>(399,641)</u>
	<u><u>\$ 258,802</u></u>

**6. Donated Facilities Use:**

The Organization records donated facilities use at fair value as support in the statement of activities and functional expenses. Such expenses for the year ended June 30, 2013 have been included in the statement of activities under the following functional expense categories:

Program Services	\$ 14,787
Supporting Services:	
General & Administrative	3,142
Fund Raising	<u>554</u>
	<u>\$ 18,483</u>

**7. Compensated Absences:**

Employees receive annual leave based upon length of employment. Annual leave may be accumulated over a period of two years or more up to a maximum accumulation of thirty days. As of June 30, 2013, the Organization accrued a liability of \$46,939 for accumulated vacation, which is included in accrued expenses on the accompanying financial statements.

**8. Notes Payable:**

In September of 2012, the Organization received a loan from Wells Fargo Bank in the amount of \$55,052. As of June 30, 2013, the Organization has a balance of \$47,799 on the loan. The loan is secured by two of the Organization's vehicles. Under the loan agreement, principal and interest are due in monthly installments of \$1,063 and the loan matures on September 21, 2017. Interest is at 6.19% per annum.

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**9. Line of Credit:**

The Organization has a revolving line of credit with Wells Fargo. The line bears interest at the bank's prime rate plus .08% per annum and is payable on demand. The line is secured by property, equipment, and grants and contracts receivable. The balance outstanding at June 30, 2013 was \$140,340.

The Organization has another line of credit with Bank Atlantic. The second line bears interest at the bank's prime rate plus 2% per annum and is payable on demand. The line is secured by property, equipment, and grants and contracts receivable. The balance outstanding at June 30, 2013 was \$24,659.

**10. Temporarily Restricted Net Assets:**

In the fiscal year ended June 30, 2013, the Organization started with \$0 in temporarily restricted net assets. The Organization received restricted contributions in the amount of \$11,712. The contributors restricted the usage of these funds for various programs. As of June 30, 2013, none of the restricted revenue was expended, leaving temporarily restricted net assets of \$11,712.

# **SUPPLEMENTAL INFORMATION**

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2013**

<b>Federal/State Grantor/Pass-through Grantor/Program/Project Title</b>	<b>CFDA/ CSFA Number</b>	<b>Contract Agreement Number</b>	<b>Expenditures</b>
<b>FEDERAL AGENCY NAME:</b>			
Indirect Projects:			
United States Department of Labor - Passed through the State of Florida Department of Economic Opportunity Workforce Alliance - Services to Participants from Targeted Populations of Offenders and Long-Term Unemployed	17.258	S11-009	\$ 124,187
United States Department of Health and Urban Development - Passed through the Palm Beach County, State of Florida Community Development Block Grant	NA	B-12-UC-120004	\$ 13,552
Total expenditures of federal awards			<u>\$ 137,739</u>
<b>STATE AGENCY NAME:</b>			
Indirect Projects:			
State of Florida Office of the Attorney General Passed through Urban League of Broward County Youth Crime Prevention	41.005	OAG12-13PBC	280,806
Black-on-Black Crime Prevention	41.012	OAG12-13PBC	46,532
*			<u>327,338</u>
State of Florida Department of Juvenile Justice Passed through Florida Network of Youth and Family Services Provision of Children and Families in Need	*	NA	80.005
Total expenditures of state financial assistance			<u>\$ 553,351</u>

Note: This schedule was prepared on the accrual basis of accounting.

\* Denotes a major program/project

Read Accompanying Notes



**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**SUPPLEMENTAL SCHEDULE OF INCOME AND EXPENSES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 & 2013**

	<u>Actual 2012</u>	<u>Budget 2012</u>	<u>Actual 2013</u>
<b><u>SUPPORT &amp; REVENUE</u></b>			
Grants & Contributions	\$ 1,933,611	\$ 1,603,975	\$ 1,876,044
Fund Raising Events	143,722	145,000	208,830
Direct Exp. to Fund Raising Events	(129,869)	(44,058)	(63,702)
Membership Dues	1,247	3,000	11,148
Program Service Revenue	13,207	10,000	6,924
Interest Income	<u>72</u>	<u>0</u>	<u>45</u>
<b>Total Revenue</b>	<b>1,961,990</b>	<b>1,717,917</b>	<b>2,039,289</b>
<b><u>EXPENSES</u></b>			
Advertising & Marketing	2,968	2,794	5,309
Auto Expense	8,841	8,098	12,135
Bad Debt	4,793	2,187	22,757
Contributions	2,450	2,236	2,790
Dues & Subscriptions	11,943	11,689	12,511
Employee Health & Benefits	71,718	73,040	85,095
Equipment Expense & Lease	33,483	22,409	15,172
Insurance	25,988	20,604	21,467
Interest	9,831	10,196	9,107
Licenses, Taxes & Permits	4,169	4,798	3,240
Local Travel	10,036	11,816	10,142
Miscellaneous	7,381	2,139	13,380
Office Supplies & Expense	12,822	8,653	11,398
Outside Services	12,873	12,759	15,156
Postage & Delivery	2,016	1,954	3,306
Printing & Reproduction	1,157	1,288	7,470
Professional Fees	48,403	41,096	27,646
Program	393,109	334,912	380,735
Rental Assistance	31,991	30,848	19,721
Repairs & Maintenance	34,379	20,133	35,781
Wages & Expenses	1,006,375	1,021,683	1,173,488
Service Charges	711	715	1,363
Telephone & Internet	13,794	15,304	20,966
Training & Development	6,157	6,604	8,903
Travel / Conferences	14,708	28,621	11,276
Utilities	<u>22,465</u>	<u>21,341</u>	<u>24,605</u>
<b>Total Expenses</b>	<b>1,794,561</b>	<b>1,717,917</b>	<b>1,954,919</b>
<b>Excess (Deficit) Before</b>			
<b>Depreciation &amp; Building Rent</b>	167,429	0	84,370
Depreciation	6,543	0	14,401
Building Rent	<u>18,483</u>	<u>0</u>	<u>18,483</u>
<b>Excess (Deficit)</b>	<b><u>\$ 142,403</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 51,486</u></b>

# **INTERNAL CONTROLS AND COMPLIANCE**

## STEVEN J. CORSO

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### **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**

Board of Directors  
Urban League of Palm Beach County, Inc.  
West Palm Beach, Florida

I have audited, 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, the financial statements of Urban League of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated October 14, 2013.

#### **Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Urban League of Palm Beach County, Inc.'s internal control over financial reporting (internal control) to determine my audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Urban League of Palm Beach County, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Urban League of Palm Beach County, Inc.'s financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Steven J. Corso, CPA.  
West Palm Beach, FL  
October 14, 2013

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Directors  
Urban League of Palm Beach County, Inc.  
West Palm Beach, Florida

**Report on Compliance for Each Major Federal Program**

I have audited Urban League of Palm Beach County, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Urban League of Palm Beach County, Inc.'s major federal programs for the year ended June 30, 2013. Urban League of Palm Beach County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of Urban League of Palm Beach County, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Urban League of Palm Beach County, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Urban League of Palm Beach County, Inc.'s compliance.

***Opinion on Each Major Federal Program***

In my opinion, Urban League of Palm Beach County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of Urban League of Palm Beach County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Urban League of Palm Beach County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of ABC Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Steven J. Corso, CPA.  
West Palm Beach, FL  
October 14, 2013

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2013**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Urban League of Palm Beach County, Inc.
2. No material weaknesses relating to the audit of the financial statements are reported in the 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.
3. No instances of noncompliance material to the financial statements of Urban League of Palm Beach County, Inc. were disclosed during the audit.
4. No material weaknesses relating to the audit of the major Federal program or state project are reported in the Report on Compliance with Requirements That Could Have a Direct Material Effect on Each Major Federal Program and State Project and Internal Control over Compliance in Accordance with OMB A-133 and Chapter 10.650, Rules of the Auditor General.
5. The auditor's report on compliance for the major Federal program and state project for Urban League of Palm Beach County, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major Federal program and state project for Urban League of Palm Beach County, Inc. reported in Part C of the schedule.
7. The program/project tested as a major program/project include the following:

<b>State Project:</b>	<b>State CSFA No.</b>
State of Florida Department of Juvenile Justice	64.006
State of Florida Office of the Attorney General Youth Crime Prevention	41.005
State of Florida Office of the Attorney General Black-on-Black Crime Prevention	41.012

8. The threshold for distinguishing Types A and B programs/projects was \$226,013 for both major Federal programs and major state projects.
9. Urban League of Palm Beach County, Inc. was determined to be a low-risk auditee pursuant to OMB Circular A-133.

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2013**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

NONE

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AUDITS**

NONE

**D. OTHER ISSUES**

1. No management letter is required because there were no findings required to be reported.
2. No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal programs or state projects.
3. No corrective action plan is required because there were no findings reported under OMB Circular A-133.