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**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-19-2000

**FINANCIAL AND COMPLIANCE AUDIT**

**TOGETHER WITH**

**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 1999**

**Bruno**

CERTIFIED PUBLIC ACCOUNTANTS

**& Tervalon**

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**& Tervalon**

MICHAEL B. BRUNO, CPA  
ALCIDE J. TERVALON, JR., CPA  
WALDO J. MORET, JR., CPA

**INDEPENDENT AUDITORS' REPORT**

To the Officers and Board of Directors of the  
**Urban League of Greater New Orleans, Inc.**

We have audited the statement of financial position of the **Urban League of Greater New Orleans, Inc. (the League)** as of June 30, 1999, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of **the League's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in NOTE 4 to the financial statements, prepaid pension benefit costs pertaining to **the League's** defined benefit plan were not recorded in accordance with Statement of Financial Accounting Standards (SFAS) No. 87, "Employers' Accounting for Pensions" as amended by SFAS No. 132, "Employers' Disclosures about Pensions and Other Post-retirement Benefits." In our opinion, generally accepted accounting principles require that prepaid pension benefit costs be recorded in accordance with SFAS Nos. 87 and 132.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Officers and Board of Directors of the  
**Urban League of Greater New Orleans, Inc.**  
Page 2

In our opinion, except for the effects of not recording prepaid pension benefit costs in accordance with SFAS Nos. 87 and 132, the financial statements referred to above present fairly, in all material respects, the financial position of the **Urban League of Greater New Orleans, Inc.** as of June 30, 1999, and the changes in its assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 1999, on our consideration of the **Urban League of Greater New Orleans, Inc.**'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the **Urban League of Greater New Orleans, Inc.** taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. In addition, the accompanying schedule of unrestricted revenue and expenditures by program is presented for purposes of additional information and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, except for the effects of not recording prepaid pension benefit costs in accordance with SFAS Nos. 87 and 132, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

December 17, 1999

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 1999**

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ASSETS

Current:

Cash and cash equivalents	\$ 33,324
Investment	2,457
Accounts receivable from participants in special events, less allowance for uncollectible accounts of \$12,006	124,594
Promise to give (NOTE 12)	187,915
Due from funding agencies	<u>153,858</u>
Total current assets	<u>502,148</u>

Equipment:

Equipment, less accumulated depreciation of \$52,882 (NOTES 1 and 3)	<u>15,739</u>
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Other assets:

Deposits	150
Prepaid expenses	<u>19,567</u>
Total other assets	<u>19,717</u>

Total assets	<u>\$537,604</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$175,038
Accrued liabilities	<u>9,334</u>

Total current liabilities	<u>184,372</u>
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Net assets (NOTE 1):

Unrestricted	165,317
Temporarily restricted (NOTE 12)	<u>187,915</u>

Total net assets	<u>353,232</u>
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Total liabilities and net assets	<u>\$537,604</u>
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The accompanying notes are an integral part of these financial statements.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>PUBLIC SUPPORT AND REVENUE</u>			
Revenue:			
Government grants and contracts	\$1,029,862	\$ -0-	\$1,029,862
Board generated self-support	116,795	-0-	116,795
Client generated self-support	46,935	-0-	46,935
In-kind contributions (NOTE 9)	422,722	-0-	422,722
Other revenue	<u>1,648</u>	<u>-0-</u>	<u>1,648</u>
Total revenue	<u>1,617,962</u>	<u>-0-</u>	<u>1,617,962</u>
Public support:			
United Way allocations (NOTE 12)	-0-	173,795	173,795
United Way designations	-0-	8,691	8,691
CFC designations	<u>-0-</u>	<u>5,429</u>	<u>5,429</u>
Total public support	-0-	187,915	187,915
Net assets released from restrictions (NOTE 8):			
Expiration of time restrictions	<u>187,444</u>	<u>(187,444)</u>	<u>-0-</u>
Total public support and revenue	<u>1,805,406</u>	<u>471</u>	<u>1,805,877</u>

(CONTINUED)

The accompanying notes are an integral part of these financial statements.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**STATEMENT OF ACTIVITIES, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>EXPENSES</u></b>			
Program services:			
Employment and Economic Development	\$ 363,073	\$ -0-	\$ 363,073
Parent Child Center	955,207	-0-	955,207
Street Academy	213,100	-0-	213,100
Organization for Community Involvement	<u>41,359</u>	<u>-0-</u>	<u>41,359</u>
Total program services	<u>1,572,739</u>	<u>-0-</u>	<u>1,572,739</u>
Support services:			
Management and general	<u>249,291</u>	<u>-0-</u>	<u>249,391</u>
Total support services	<u>249,291</u>	<u>-0-</u>	<u>249,391</u>
Total expenses	<u>1,822,030</u>	<u>-0-</u>	<u>1,822,030</u>
Change in net assets	(16,624)	471	(16,153)
Net assets, beginning of year	<u>181,941</u>	<u>187,444</u>	<u>369,385</u>
Net assets, end of year	<u>\$ 165,317</u>	<u>\$187,915</u>	<u>\$ 353,232</u>

The accompanying notes are an integral part of these financial statements.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	PROGRAM SERVICES					Total Program Services	SUPPORT SERVICES	
	Employment and Economic Development	Parent Child Center	Street Academy	Organizing for Community Involvement	Management and General		Total Expenses	Management and General
Compensation expenses	\$258,305	\$470,432	\$ 16,697	\$28,358	\$ 773,792	\$ 947,121	\$173,329	\$ 947,121
Occupancy expenses	53,433	120,426	3,975	6,751	184,585	225,847	41,262	225,847
Travel	833	23,277	710	1,206	26,026	33,400	7,374	33,400
Other direct program expenses	<u>50,502</u>	<u>192,061</u>	<u>3,968</u>	<u>5,044</u>	<u>251,575</u>	<u>268,664</u>	<u>17,089</u>	<u>268,664</u>
Total expenses before in-kind costs recognized and depreciation	363,073	806,196	25,350	41,359	1,235,978	1,475,032	239,054	1,475,032
Depreciation	-0-	-0-	-0-	-0-	-0-	10,237	10,237	10,237
In-kind costs recognized	<u>-0-</u>	<u>149,011</u>	<u>187,750</u>	<u>-0-</u>	<u>336,761</u>	<u>336,761</u>	<u>-0-</u>	<u>336,761</u>
Total expenses	<u>\$363,073</u>	<u>\$955,207</u>	<u>\$213,100</u>	<u>\$41,359</u>	<u>\$1,572,739</u>	<u>\$1,822,030</u>	<u>\$249,291</u>	<u>\$1,822,030</u>

The accompanying notes are an integral part of these financial statements.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	
Adjustment to reconcile change in net assets to net cash used in operating activities:	\$ (16,153)
Depreciation	10,237
(Increase) in promise to give	(471)
(Increase) in accounts receivable - special events	(20,274)
(Increase) in due from funding agencies	(83,451)
(Increase) in prepaid expenses	(11,502)
Increase in accounts payable	30,776
(Decrease) in accrued liabilities	(31,745)
(Decrease) in due to funding agencies	<u>(15,406)</u>
Net cash used in operating activities	<u>(137,989)</u>
Net decrease in cash and cash equivalents	(137,989)
Cash and cash equivalents - beginning of year	<u>171,313</u>
Cash and cash equivalents - end of year	<u>\$ 33,324</u>

The accompanying notes are an integral part of these financial statements.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies:

Nature of Activities

The **Urban League of Greater New Orleans, Inc. (the League)** provides training in the areas of job skills and parenting skills, as well as provides basic education to eligible participants that reside in the New Orleans area.

Basis Accounting

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

Basis of Presentation

**The League** follows the accounting procedures and practices for not-for-profit organizations established by the American Institute of Certified Public Accountants as published in the Industry Audit Guide on "Not-for-Profit Organizations", which constitutes generally accepted accounting principles.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, **the League** 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. At June 30, 1999, there were no permanently restricted net assets.

URBAN LEAGUE OF GREATER NEW ORLEANS, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,  
Continued:

Contribution Recognition

Contributions received are recorded as unrestricted, temporarily, or permanently restricted support, depending on the existence or nature of donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction end or purpose restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted.

Donated Materials and Services

Donated materials and supplies, which are utilized in several of **the League's** programs are recorded at their estimated fair market value when received.

Donated services provided by volunteers which require specialized skills and are provided by individuals possessing those skills are recognized at their fair value when received. Those services donated by volunteers which do not meet all of the applicable requirements of SFAS No. 116 are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

URBAN LEAGUE OF GREATER NEW ORLEANS, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,  
Continued:

Revenue Recognition

For federal and state grants administered on a cost reimbursement basis, revenue is recognized as expenses are incurred.

Allocation of Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, program and support service expenses are specifically identified with or allocated to **the League's** various functions. Expenses requiring allocation include services provided by **the League's** management and administrative staff to specific program-related activities. Expense allocations are prorated based on a percentage of time or actual usage.

Federal Income Taxes

**The League** is exempt from Federal income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code and is not a private foundation.

Allowance for Bad Debts

**The League** uses the allowance method to provide for uncollectible accounts. At June 30, 1999, the allowance was \$12,006.

Equipment

Except for the Street Academy Program, the cost of office furniture and equipment purchased or acquired through capital leases by Programs funded by federal or state funds has not been capitalized. According to the contractual agreements between **the League** and the program funding sources, title to the equipment purchased remains with the funding source.

URBAN LEAGUE OF GREATER NEW ORLEANS, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,  
Continued:

Equipment, Continued

The State Department of Health and Hospitals, which funded the 1994/95 Street Academy Program, allowed title to equipment purchased through this program to vest with **the League**. Equipment purchased has been capitalized and is included in the statement of financial position of **the League**.

All other furniture and equipment are capitalized.

Statement of Cash Flows

For the purpose of the statement of cash flows, **the League** considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

NOTE 2 - Economic Dependency:

The primary source of revenue for the **Urban League of Greater New Orleans, Inc.** is federal and state grants provided through various funding agencies. The continued success of **the League** is dependent upon the renewal of contracts from current funding sources as well as obtaining new funding from various funding sources. At the time of completion of the audit of **the League's** financial statements, management was not aware of any actions taken that would adversely affect the amount of funds **the League** will receive in the next fiscal year.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 3 - Equipment:

As of June 30, 1999, the **Urban League of Greater New Orleans, Inc.** held the following assets:

Office equipment	\$ 18,256
Automobiles	<u>50,366</u>
Sub-total	68,622
Less: accumulated depreciation	<u>(52,883)</u>
Total	<u>\$ 15,739</u>

All assets are depreciated using the straight-line basis over the estimated useful lives of the assets. Depreciation expense for year ended June 30, 1999 amounted to \$10,237.

NOTE 4 - Pension Plan:

On April 16, 1997, **the League** terminated (curtailed) its Defined Benefit Plan with any future participant benefits ceasing to accrue after December 31, 1998. As a result of the curtailment, the projected benefit obligation will not increase for all of the plan's participants. The curtailment of the defined benefit plan results in prepaid pension benefit costs of \$183,403.

**The League** does not account for its defined benefit plan in accordance with SFAS No. 87, "Employers' Accounting for Pensions" as amended by SFAS No. 132, "Employers' Disclosures About Pensions and Other Post-retirement Benefits. Because of this, **the League** has excluded the amount of prepaid

URBAN LEAGUE OF GREATER NEW ORLEANS, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 4 - Pension Plan, Continued:

pension benefit costs from its financial statements. If the amount of prepaid pension benefit costs were recognized, assets would be increased by \$183,403, and unrestricted net assets would be increased by \$183,403. These amounts are based on certain actuarial assumptions and projections pertaining to the employees of the **Urban League of Greater New Orleans, Inc.** These assumptions and projections could differ significantly from actual results.

The League's plan covers substantially all employees. The plan calls for benefits to be paid to eligible employees at retirement based primarily upon their average monthly salary "during the last 120 completed months of service".

Pension expense for 1999, as determined by SFAS Nos. 87 and 132, includes the following components:

Service cost	\$ (1,000)
Interest cost on projected benefit obligations	(41,451)
Expected return on plan assets	53,941
Amount of recognized actuarial losses	(327)
Amortization of unrecognized transitional assets	<u>4,928</u>
Net periodic benefit cost	<u>\$ 16,091</u>

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 4 - Pension Plan, Continued:

The following sets forth the funded status of the Plan at June 30, 1999, as determined by No. SFAS 87:

Actuarial present value of benefit obligation:	
Vested benefits	<u>\$637,642</u>
Accumulated benefit obligation	<u>\$637,642</u>
Projected benefit obligation	\$637,642
Fair value of assets held in the plan	<u>821,045</u>
Prepaid pension benefit cost	<u>\$183,403</u>
 <u>Reconciliation of Prepaid Pension Benefit Cost:</u>	
Prepaid pension benefit cost as of June 30, 1998	\$167,312
Net periodic benefit cost	<u>16,091</u>
Prepaid pension benefit cost as of June 30, 1999	<u>\$183,403</u>

The weighted average discount rate used to measure the projected benefit obligation is 6.0%, and the assumed rate of increase in future compensation levels is 8.0% per year.

**The League** sponsors a defined contribution pension plan. Contributions to the plan during the year ended June 30, 1999 was \$67,776.

URBAN LEAGUE OF GREATER NEW ORLEANS, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 5 - Operating Lease Agreements:

**The League** leases space at various locations for a number of its programs as well as for its main office. The majority of the leases are renewed on a monthly basis. However, several of the leases of office space for program services are renewed annually. Rent expense for the year ended June 30, 1999 consisted of the following:

Administrative	\$ 18,000
Program services	<u>120,432</u>
Total	<u>\$138,432</u>

NOTE 6 - Commitments:

As of June 30, 1999, **the League**, through its Parent Child Center Program, had an agreement with a company to provide janitorial services at the program site. The agreement is for one year and requires a payment of \$1,000 per month. The total outstanding commitment as of June 30, 1999 was \$11,000.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 7 - Net Assets Released from Donor Restrictions:

Net assets were released from donor restrictions during the year ended June 30, 1999 by incurring expenses satisfying the restricted purposes. Purpose restrictions accomplished were as follows:

Parent Child Center	\$ 62,024
Employment and Economic Development	77,836
Organization for Community Involvement	9,229
Street Academy	<u>21,959</u>
Total United Way allocations	171,048
United Way designations	10,332
CFC designations	<u>6,064</u>
Total Allocations and Designations	<u>\$187,444</u>

NOTE 8 - In-Kind Contributions and Costs Recognized :

As a condition of certain grants received by **the League, the League** must provide a portion of the costs of the programs. To satisfy these conditions, the funding agencies will accept in-kind contributions from volunteers and certain other contributions. The accompanying financial statements include in-kind contributions in revenues and expenses. The breakdown of in-kind contributions recognized is as follows:

Personnel - teaching	\$184,166
Personnel - volunteer	77,857
Supplies and equipment rental	97,199
Other	<u>63,500</u>
	<u>\$422,722</u>

URBAN LEAGUE OF GREATER NEW ORLEANS, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 10 - Fees and Grants from Governmental Agencies:

**The League** has contracted with several governmental agencies to provide community and family services, and employment and economic development programs. Under the contracts, the governmental agencies reimburse **the League** based upon **the League's** allowable costs, to provide the services to program beneficiaries.

During the year ended June 30, 1999, approximately 57% of **the League's** total public support and revenue was derived from the governmental agencies to provide these contract services. Revenues derived from the governmental agencies are subject to audit and adjustment by government auditors before any settlement amounts become final. Any adjustments made by governmental auditors are reported in the year of the audit. Management does not expect any material adjustments to allowable program costs and the related estimated settlements.

NOTE 11 - Risk Management:

**The League** is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets for which **the League** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 12 - Promise to Give:

*As of June 30, 1999, the promise to give represents United Way allocations of \$187,915 for fiscal year ending June 30, 1999. This amount is recognized as temporarily restricted revenue in the year awarded in accordance with SFAS Nos. 116 and 117.*

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 13 - Concentration of Credit Risk:

**The League** maintains cash balances at two local banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

## **SUPPLEMENTARY INFORMATION**

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**SCHEDULE OF UNRESTRICTED REVENUE AND EXPENDITURES BY PROGRAM**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	SUPPORT SERVICES		PROGRAM SERVICES				
	Agency Total	Management and General	Total Program Services	Employment and Economic Development	Parent Child Center	Organization for Community Involvement	Street Academy
REVENUE							
Board generated self-support	\$ 116,795	\$116,795	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Client generated self-support	46,935	46,935	-0-	-0-	-0-	-0-	-0-
Government grants and contracts	1,029,862	-0-	1,029,862	334,346	695,516	-0-	-0-
Other revenue	<u>427,484</u>	<u>4,412</u>	<u>423,072</u>	<u>-0-</u>	<u>235,322</u>	<u>-0-</u>	<u>187,750</u>
Total self-generated revenue	1,621,076	168,142	1,452,934	334,346	930,838	-0-	187,750
United Way designations (NOTE 7)	7,393	-0-	7,393	3,364	2,681	399	949
CFC designations (NOTE 7)	<u>5,889</u>	<u>-0-</u>	<u>5,889</u>	<u>2,709</u>	<u>2,120</u>	<u>294</u>	<u>766</u>
Total revenue	<u>1,634,358</u>	<u>168,142</u>	<u>1,466,216</u>	<u>340,419</u>	<u>935,639</u>	<u>693</u>	<u>189,465</u>
United Way allocations (NOTE 7)	<u>171,048</u>	<u>-0-</u>	<u>171,048</u>	<u>77,836</u>	<u>62,024</u>	<u>9,229</u>	<u>21,959</u>
Grand total revenue	<u>1,805,406</u>	<u>168,142</u>	<u>1,637,264</u>	<u>418,255</u>	<u>997,663</u>	<u>9,922</u>	<u>211,424</u>

See the Independent Auditors' Report on Supplementary Information.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**SCHEDULE OF UNRESTRICTED REVENUE AND EXPENDITURES BY PROGRAM, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	SUPPORT		PROGRAM SERVICES				
	Agency Total	Management and General	Total Program Services	Employment and Economic Development	Parent Child Center	Organization for Community Involvement	Street Academy
<b>EXPENSES</b>							
Compensation expenses	\$ 947,121	\$ 173,329	\$ 773,792	\$ 258,305	\$ 470,432	\$ 28,358	\$ 16,697
Occupancy expenses	225,847	41,262	184,585	53,433	120,426	6,751	3,975
Travel and transportation	33,400	7,374	26,026	833	23,277	1,206	710
Other direct program expenses	<u>605,425</u>	<u>17,089</u>	<u>588,336</u>	<u>50,502</u>	<u>341,072</u>	<u>5,044</u>	<u>191,718</u>
Grand total expenses	<u>1,811,793</u>	<u>239,054</u>	<u>1,572,739</u>	<u>363,073</u>	<u>955,207</u>	<u>41,359</u>	<u>213,100</u>
Net difference	<u>(6,387)</u>	<u>(70,912)</u>	<u>64,525</u>	<u>55,182</u>	<u>42,456</u>	<u>(31,437)</u>	<u>(1,676)</u>
Depreciation	<u>\$ 10,237</u>	<u>\$ 10,237</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Expense Analysis:							
Total Direct Expense			\$ 363,073	\$ 363,073	\$ 955,207	\$ 41,359	\$ 213,100
Percent of Total Program Expenses			23.08	23.08	60.74	2.63	13.55
Distribution of Management & General Expenses			\$ 55,174	\$ 55,174	\$ 145,201	\$ 6,287	\$ 32,392
Grand Total Program Expenses			\$ 418,247	\$ 418,247	\$ 1,100,408	\$ 47,646	\$ 245,492

See the Independent Auditors' Report on Supplementary Information.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT PERIOD</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed-through State of Louisiana Department of Social Services via Total Community Action, Inc.:				
Head Start (Parent Child Center)	93.600	01/01/99- 12/31/99	06YCO521	\$349,363
Head Start (Parent Child Center)	93.600	01/01/98- 12/31/98	06CHO473- Supplemental	282,428
Passed-through State of Louisiana Department of Social Services- Office of Family Support: Job Opportunities and Basic Skills Training (JOBS) (Customer Service) Job Opportunities and Basic Skills Training (JOBS) (Project Assist - Nursing Assistance) Job Opportunities and Basic Skills Training (JOBS) (Project Assist - Job Search)	93.561  93.561  93.561	07/01/97- 06/30/99  07/01/97- 06/30/99  07/01/97- 06/30/99	CFMS-516511  CFMS-516530  CFMS-509672	58,601  68,952  125,600
Total U.S. Department of Health and Human Services				<u>884,944</u>

(CONTINUED)

See the Independent Auditors' Report on the Schedule of Federal Awards  
and  
Notes to the Schedule of Expenditures of Federal Awards.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 1999**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT PERIOD</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>				
Passed-Through State of Louisiana Department of Labor via the Orleans Private Industry Council, Inc.				
<u>JTPA Cluster</u>				
Job Training Partnership Act - Title IIA (Word Processing)	17.246	07/01/97- 06/30/98	97-2A-001	\$ 46,518
Job Training Partnership Act - Title III (Word Processing)	17.246	07/01/97- 06/30/98	97-03-001	22,966
Job Training Partnership Act - Title III (Word Processing)	17.246	07/01/98- 06/30/99		<u>4,011</u>
Total U.S. Department of Labor				<u>73,495</u>
Total Federal Financial Awards				<u>\$958,439</u>

See the Independent Auditors' Report on the Schedule of Federal Awards  
and  
Notes to the Schedule of Expenditures of Federal Awards.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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NOTE 1 - General:

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the **Urban League of Greater New Orleans, Inc.(the League)**. All federal awards that passed through other government agencies are included on the schedule.

NOTE 2 - Basis of Accounting:

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting which is described in NOTE 1 of **the League's** financial statements. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 - Relationship to Federal Financial Reports:

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

NOTE 4 - Relationship to Financial Statements:

Federal awards (grant) revenues are reported in **the League's** financial statements as follows:

Grant revenue	\$1,029,862
Less: State grants and contracts	<u>67,423</u>
Total Federal Awards	<u>\$ 958,439</u>

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

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To the Officers and Board of Directors of the  
**Urban League of Greater New Orleans, Inc.**

We have audited the financial statements of the **Urban League of Greater New Orleans, Inc. (the League)** (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999. In our report, our opinion was qualified because prepaid pension benefit costs pertaining to **the League's** defined benefit plan was not recorded in accordance with Statement of Financial Accounting Standards (SFAS) No. 87, "Employers' Accounting for Pensions" as amended by SFAS No. 132 "Employers' Disclosures about Pensions and Other Post-retirement Benefits." We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the **Urban League of Greater New Orleans, Inc.'s** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements 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 that are required under *Government Auditing Standards*.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

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(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audit we considered the **Urban League of Greater New Orleans, Inc.**'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors and the management of the **Urban League of Greater New Orleans, Inc.** and for filing with the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and should not be used by anyone other than these specified parties.

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

December 17, 1999

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Officers and Board of Directors of the  
**Urban League of Greater New Orleans, Inc.**

**Compliance**

We have audited the compliance of the **Urban League of Greater New Orleans, Inc. (the League)** (a nonprofit organization) with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. **The Urban League of Greater New Orleans, Inc.'s** major federal programs are identified in the summary of the independent 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 is the responsibility of the **Urban League of Greater New Orleans, Inc.'s** management. Our responsibility is to express an opinion on the **Urban League of Greater New Orleans, Inc.'s** compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)

to on the previous page could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the **Urban League of Greater New Orleans, 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 on **Urban League of Greater New Orleans, Inc.**'s compliance with those requirements.

In our opinion, the **Urban League of Greater New Orleans, Inc.**, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999. In connection with our audit, we reviewed the prior year's reportable conditions on the internal control including applicable internal administrative controls to determine whether management had implemented appropriate corrective action to correct the conditions giving rise to those findings. The results of our review with respect to the prior-year reportable conditions are described in the Status of Prior Year Findings.

**Internal Control Over Compliance**

The management of the **Urban League of Greater New Orleans, Inc.** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the **Urban League of Greater New Orleans, Inc.**'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to the major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

In connection with our audit, we reviewed the prior year's reportable conditions on the internal control including applicable internal administrative controls to determine whether management had implemented appropriate corrective action to correct the conditions giving rise to those findings. The results of our review with respect to the prior-year reportable conditions are described in the Status of Prior year Findings.

This report is intended solely for the information and use of the Board of Directors and the management of the **Urban League of Greater New Orleans, Inc.** and for filing with the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and should not be used by anyone other than these specified parties.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

December 17, 1999

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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**Section I - Summary of Independent Auditors' Results**

*Financial Statements*

Type of auditor's report issued: **qualified**

Internal Control Over Financial Reporting:

- Material weakness(es) identified?  yes  no
  
- Reportable condition(s) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal Control Over Major Programs:

- Material weakness(es) identified?  yes  no
  
- Reportable condition(s) identified that are not considered to be material weaknesses?  yes  none reported

Type of auditor's report issued on compliance for major programs: **unqualified**

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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**Section I - Summary of Independent Auditors' Results, CONTINUED**

Any audit findings disclosed that are required  
to be reported in accordance with section 510(a)  
of Circular A-133 \_\_\_yes    X no

Identification of major programs:

CFDA Numbers

Name of Federal Programs

93.600

Head Start

Dollar threshold used to distinguish  
between type A and type B programs:

**\$300,000**

Auditee qualified as low-risk auditee:

\_\_\_ yes    X no

**Section II - Financial Statements Findings**

There were no reportable conditions, material weaknesses and no instances of noncompliance that were required to be reported in accordance with Section 510(a) of OMB Circular A-133.

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**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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**Section III - Federal Award Findings and Questioned Costs**

There were no reportable conditions, material weaknesses and no instances of noncompliance that were required to be reported in accordance with Section 510(a) of OMB Circular A-133.

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**STATUS OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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<u>REFERENCE NUMBER</u>	<u>DESCRIPTION</u>	<u>RESOLVED</u>
98-01	Property and Equipment Inventory	X

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**  
**EXIT CONFERENCE**  
**JUNE 30, 1999**

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The audit report was discussed with representatives of **the League**. Those persons participating in the discussion were:

**URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**

Mr. Joseph S. Exnicio	–	Treasurer, Board Member
Mr. W. Dawson Baptist, CPA	–	Board Member
Mrs. Edith Gee Jones	–	President & CEO
Mrs. Dolores W. Brickley	–	Vice President, Finance and Administration
Ms. Carmen A. Wallace	–	Accountant

**BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Michael B. Bruno, CPA	–	Engagement/Managing Partner
Mr. Joseph A. Akanji, CPA	--	Engagement Manager