

URBAN LEAGUE OF GREATER NEW ORLEANS, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year Ended June 30, 1997

DEPARTMENT OF HEALTH AND HUMAN SERVICES

1996 - Finding No. 1: Headstart (Parent-Child Center Program).

Condition: A budget revision implemented by the League was not approved by the pass-through funding source.

Current Status: It was assumed that the 1996 budget revision was approved due to the fact that full funding was made in 1996, and that the program was funded in 1993.

1996 - Finding No. 2: Project Independence (Project Assist).

Condition: The time and allocation records for an employee who worked on multiple federally funded programs did not agree to the amount of salary and fringe charged to the respective programs.

Recommendation: It was recommended that management improve its monitoring of time and allocation records and compare this information to the amount of salary and fringe actually charged to Federally funded programs.

Current Status: The recommendation was adopted in December 1996. No similar findings were noted in the 1997 audit.

URBAN LEAGUE OF GREATER NEW ORLEANS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 1997

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the financial statements of Urban League of Greater New Orleans, Inc.
2. No reportable conditions relating to the audit of the financial statements of Urban League of Greater New Orleans, Inc. were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of the Urban League of Greater New Orleans, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the Urban League of Greater New Orleans, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Urban League of Greater New Orleans, Inc. are reported in Part C. of this Schedule.
7. The programs listed as major programs included:

PROGRAM	URBAN LEAGUE TITLE	CEDA No.
Headstart	Parent Child Center	99.680
Project Independence	Project ASSISTANCE Job Skills	99.561

8. The threshold for distinguishing Types A and D programs was \$700,000.
9. The Urban League of Greater New Orleans, Inc. was not determined to be a low-risk auditor.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

Internal Control Over Compliance

The management of **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 **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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 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 that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Abelty, White, King & Ward

A Professional Accounting Corporation

December 12, 1993

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

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

Compliance

We have audited the compliance of **URBAN LEAGUE OF GREATER NEW ORLEANS, INC.** (a nonprofit organization) with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Requirements that are applicable to each of its major federal programs for the year ended June 30, 1997. **URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**'s major federal programs 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 is the responsibility of **URBAN LEAGUE OF GREATER NEW ORLEANS, INC.**'s management. Our responsibility is to express an opinion on **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, *Audit 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 to above could have a direct and material effect on a major federal program account. An audit includes examining, on a test basis, evidence about **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, **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, 1997.

A Professional Accounting Corporation

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Internal Control Over Financial Reporting

In planning and performing our audit we considered 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 opinions on the financial statements and not to 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 for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



A Professional Accounting Corporation

December 12, 1997

**MEMORANDUM OF DECISION BY NEW ORLEANS, INC.
MEMBER OF COURTHOUSE OF FEDERAL AWARDS
For The Year Ended June 30, 1967**

Federal Source/ Part/Agency Contract Program Title	Federal CFRA Symbol	Class Title	Pass Through Contract Month	Program or Grant Amount	Total Revenue/ Expense Allocated	Federal Revenue/ Expense Allocated	Non- Revenue/ Expense Allocated
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Based Through the Louisiana Department Social Services via Louisiana Family Action, Inc.							
Head Start (FEDRACOM Cont.)	W400	04-90 - 047000	06/30/67	\$ 176,000	\$ 200,000	\$ 200,000	\$ -
Head Start (FEDRACOM Cont.)	W400	04-90 - 047000	100	000,000	000,000	000,000	-
Based Through the State of Louisiana Department of Social Services via its Official Family Support							
Region/Independent Program Area - Adult Education	01 001	0100 - 010000	06/30	22,000	20,000	00,000	20,000
Region/Independent Program Area - Adult Education	01 001	0100 - 010001	06/30	000,000	000,000	00,000	00,000
Region/Independent Program Area - Adult Education	01 001	0100 - 010003	06/30	100,000	000,000	00,000	00,000
Region/Independent Program Area - Adult Education	01 001	0100 - 010000	06/30	25,000	20,000	00,000	20,000
Region/Independent U.S. Head Start Program	01 001	0100 - 010001	06/30	000,000	000,000	00,000	00,000
UNIFORM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,000,000	1,000,000	1,000,000	000,000
U.S. DEPARTMENT OF LABOR							
Based Through State of Louisiana Department of Labor via the Official Private Industry Council, Inc.							
Job Training Partnership Act (Job Training)	1720	04-90 - 010000	06/30/67	000,000	000,000	000,000	000,000
UNIFORM U.S. DEPARTMENT OF LABOR				000,000	000,000	000,000	000,000
TOTAL				\$ 1,300,000	\$ 1,000,000	\$ 1,000,000	\$ 200,000

Note: The accompanying schedule of expenditures of federal awards is prepared under assumptions of accounting.

See independent auditor's report on schedule of federal awards.

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STATEMENT OF EXPENSES (LOSS COMPONENTS) BY PROGRAM
 For the Year Ended June 30, 1971

Activity Type	Expenses	Total	Program Science		Total	Expenses	Total	Expenses
			Administrative and General	Programs and Business Development				
REVENUE								
Board Contributions	\$ 14,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gift Donations	20,247							
Gift Donations (Self Support)	1,000,000	1,000,000	490,270	509,730	999,999			
Commercial Credits and Vouchers	400,000	400,000			400,000			400,000
Other Sources	1,661,800	1,661,800	490,270	971,530	1,461,800			200,000
Total Self-Supported Revenue								
Total Self-Supportive	11,420	11,420	4,900	6,520	11,420	6,520	6,520	1,500
Gift Donations	4,000	4,000	4,000	4,000	8,000	4,000	4,000	300
Total Revenue	1,771,867	1,771,867	1,000,000	1,177,270	1,661,800	860	860	246,070
United Way Allowance	27,250	27,250	27,250	27,250	54,500	54,500	54,500	54,500
Grand Total Revenue	1,801,117	1,801,117	1,027,250	1,204,520	1,716,300	1,114,500	1,114,500	280,570
EXPENSES								
Competition Expenses	140,000	140,000	140,000	140,000	280,000	280,000	280,000	280,000
Business Expenses	20,000	20,000	20,000	20,000	40,000	40,000	40,000	40,000
Travel and Postage	10,200	10,200	10,200	10,200	20,400	20,400	20,400	20,400
Other Staff Program Expenses	80,000	80,000	80,000	80,000	160,000	160,000	160,000	160,000
Grand Total Expenses	250,200	250,200	250,200	250,200	500,400	500,400	500,400	500,400
NET CONTRIBUTION	1,550,917	1,550,917	777,050	954,320	1,215,900	614,100	614,100	780,170
EXPENSES								
Travel Expenses	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Personnel Expenses	20,000	20,000	20,000	20,000	40,000	40,000	40,000	40,000
Utilities of Main Building	50,000	50,000	50,000	50,000	100,000	100,000	100,000	100,000
Grand Total Program Expenses	120,000	120,000	120,000	120,000	240,000	240,000	240,000	240,000

Expense Analysis
 Total Grand Expenses \$ 120,000
 Percent of Total Program Expenses 6.67%
 Contribution of Main Building 83.33%
 Grand Total Program Expenses 120,000

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

NOTE J

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	\$ 205,966
Personnel - Volunteer	123,332
Supplies	109,979
Equipment Rental	31,672
Other	102,800
	<u>\$ 573,749</u>

NOTE K

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, 1997, approximately 51% 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 accounts 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 L

CONTINGENCIES

During the fiscal year ended June 30, 1996, the League removed from its general ledger, approximately \$48,000 of old outstanding balances due to various funding sources. The balances had been outstanding for a period of five years or greater, and there had been no demands made by the funding sources to receive these amounts during this period of time. However, the potential exists that the funding sources may demand payment in the future.

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

NOTE C

OPERATING LEASE AGREEMENTS (Continued)

The following is a schedule by years of future minimum rental payments required under operating leases that have remaining noncancelable lease terms as of June 30, 1997.

Year Ending June 30,	
1998	\$ 2,041
1999	1,428
2000	1,459
2001	<u>1,080</u>
Total	<u>\$ 5,999</u>

NOTE D

COMMITMENTS

In June 1997, the League, through its Parent Child Center Program, entered into 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, 1997 was \$11,000.

NOTE E

UNITED WAY ASSOCIATION

United Way allocated the following funds to the League for the year ended June 30, 1997:

Program	
Parent Child Center	\$ 60,000
Employment and Economic Development	72,058
Comprehensive Programs for Youth	10,482
Organization for Community Involvement	9,725
Street Academy	<u>20,000</u>
Total	<u>\$ 172,265</u>

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

NOTE 4

OPERATING LEASE AGREEMENTS

The League has several lease agreements for the lease of office space, automobiles and office equipment. The following is a description of these leases.

OFFICE SPACE

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, 1997 consisted of the following:

Administration	\$ 18,000
Program Services	<u>107,852</u>
Total	<u>\$ 125,852</u>

Future minimum lease payments for those leases which are renewed annually follow:

1998	\$ 60,845
1999	48,780
2000	48,780
2001	48,780
2002	<u>24,390</u>
	<u>\$ 231,275</u>

AUTOMOBILES

In January 1996, the League purchased two vans. These two vans were leased to the Parent Child Center Program on a month to month basis. The total amount of rent expense incurred by the Program for year ended June 30, 1997 was \$14,280.

OFFICE EQUIPMENT

The Word Processing (OPIC), Word Processing (OPS), and Project Assist Programs lease a mail metering machine. For the year ended June 30, 1997, the total amount of rent expense incurred by these programs was \$475, \$284, and \$1,008, respectively.

The Parent Child Center Program leases a mail machine. For the year ended June 30, 1997, the total amount of rent expense incurred by the Parent Child Center Program for this lease was \$704.

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

NOTE E

LONG-TERM DEBT

As of June 30, 1997, the League had the following outstanding notes payable:

9.25% note payable to GMAC in monthly installments of \$480, which includes interest, through March 31, 2000, secured by vehicle	\$ 22,434
7.5% note payable to Chrysler Financial in monthly installments of \$610, which includes interest, through March 31, 2000, secured by vehicle.	28,111
Less Current Portion	41,545
	<u>\$ 28,999</u>

The following are maturities of long-term debt:

Year Ending June 30, _____	
1999	\$ 15,472
2000	11,691
	<u>\$ 27,163</u>

Total interest expense for the above notes for the year ended June 30, 1997 was \$2,417.

NOTE F

RESTRICTIONS ON NET ASSETS

At June 30, 1997, permanently restricted net assets are designated for the following purposes:

Investment in perpetuity, the income from which is expendable to support:

General Endowment	<u>\$ 10,000</u>
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URBAN LEASER OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE D

PENSION PLAN (Continued)

The following sets forth the funded status of the Plan at June 30, 1997, as determined by the SFAS 87:

Actuarial Present Value of Benefit Obligations:	
Vested Benefits	\$ 450,504
Nonvested Benefits	<u>2,082</u>
Accumulated Benefit Obligations	452,586
Effect of Anticipated Future Compensation Levels, Expected Long-Term Rate of Return on Assets and Plan Amendment	<u>211,164</u>
Projected Benefit Obligation	663,750
Fair Value of Assets Held in the Plan	<u>1,065,114</u>
Unfunded Excess of Projected Benefit Obligation Over Plan Assets	<u>\$ (391,336)</u>
The unfunded excess consists of the following:	
Unrecognized Gains(Loss)	\$ (21,414)
Unrecognized Transition Asset	66,823
Unrecognized Prior Service Cost	(88,897)
Accrued Pension Cost	<u>(151,811)</u>
	<u>\$ (155,299)</u>

The weighted average discount rate used to measure the projected benefit obligation is 7.5%, and the assumed rate of increase in future compensation levels is 3.594 per year. The Longue uses the average future service at transition date of plan participants expected to receive benefits method of amortization for liability at transition.

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

NOTE C

PROPERTY AND EQUIPMENT (Continued)

The amount of equipment acquired by Programs funded by Federal and state funds but not capitalized as described in Note A above is as follows:

Computer Hardware (Cost)	\$ 1,848
Typewriters (Cost)	981
Furniture (Cost)	980
Audio Visual Equipment (Cost)	880
Kitchen Equipment (Cost)	<u>28,144</u>
 Total	 <u>\$ 32,833</u>

NOTE D

PENSION PLAN

The League does not account for its defined benefit plan in accordance with SFAS No. 87, "Employers' Accounting for Pensions." Because of this, the League has included the amount of accrued pension costs from its financial statements. If the amount of accrued pension costs were recognized, liabilities would be increased by \$32,411, and Unrestricted Net Assets would be decreased by \$32,411. This liability is 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 management of the League is currently considering implementing a defined contribution plan. If this plan is implemented, the League will terminate its defined benefit plan. Based on this consideration, as well as based on the volatile nature of the accrued pension cost liability, management has elected not to recognize the amount of accrued pension cost associated with the League's current defined benefit plan.

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 1997, as determined by SFAS No. 87, includes the following components:

Service Cost	\$ 76,889
Interest Cost on the Projected Benefit Obligation	83,897
Actual Return on Assets Held in the Plan	(147,215)
Net Amortization of Prior Service Cost and Unrecognized Net Asset, and Deferred Asset Gain	<u>85,865</u>
 Pension Expense	 <u>\$ 89,236</u>

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

NOTE A

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STATEMENT OF CASH FLOWS

For the purposes 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.

Interest expense paid during the year totaled \$2,893.

NOTE B

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.

NOTE C

PROPERTY AND EQUIPMENT

As of June 30, 1997, the URBAN LEAGUE OF GREATER NEW ORLEANS, INC. held the following assets:

Office Equipment (Estimated Value)	\$ 4,000
Office Equipment (Cost)	1,600
Office Equipment (Cost - Obtained by Scout Academy Program)	1,635
Automobile (Cost)	<u>61,337</u>
	68,672
Less: Accumulated Depreciation	<u>32,118</u>
	<u>\$ 36,554</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, 1997 amounted to \$10,734.

The amount of office equipment acquired through a capital grant is \$1,635, and the related accumulated amortization at June 30, 1997 is \$1,604. Amortization expense for the year ended June 30, 1997 amounted to \$317, which is included in depreciation expense.

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

NOTE A

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 these estimates.

CONCENTRATION OF CREDIT RISK

URBAN LEAGUE OF GREATER NEW ORLEANS, INC. provides job training, education and recreational services to eligible participants that reside in New Orleans. The majority of the League's revenue is derived from federal and state grants, as well as contributions from the United Way of Greater New Orleans.

As of June 30, 1993, the League had \$15,373 of deposits in excess of federal deposit insurance coverage.

REVENUE RECOGNITION

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

ALLOCATION OF FUNCTIONAL EXPENSES

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 spent 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.

ALLIANCE FOR BAD DEBTS

The League uses the allowance method to provide for uncollectible accounts. At June 30, 1993, the allowance was \$3,100.

PROPERTY AND 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.

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

All other furniture and equipment acquired is capitalized.

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

NOTE A

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.

BASES OF ACCOUNTING

The financial statements of the URBAN LEAGUE OF GREATER NEW ORLEANS, INC. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

BASES OF PRESENTATION

URBAN LEAGUE OF GREATER NEW ORLEANS, INC. (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 consolidates 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 Accounting of Not-for-Profit Organizations*. Under SFAS No. 117, 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.

CONTRIBUTION RECOGNITION

Contributions received are recorded as unrestricted, temporarily restricted, 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 ends 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.

10881 LOCUST OF GARLAND, NEW ORLEANS, INC.
 PROVIDER OF P-SCHOOL SERVICES
 Form For Fiscal Year 2017

	Program Services				Support Services	
	Transportation and Economic Development	Capital Construction Programs (In Transit)	Item In Community Activities	Utility In Community Development	Management In Transit	Total
Compensation Expenses	\$ 86,213	\$ 8,812	\$ 8,932	\$ 18,813	\$ 19,173	\$ 139,943
Occupancy Expenses	79,423	1,057	1,497	1,123	8,133	81,233
Taxes	1,136	188	378	1,129	3,644	6,475
Other Direct Program Expenses	39,428	4,481	4,428	1,653	46,128	91,118
Total Expenses Before In-Led Cash Reimbursements and Depreciation	126,199	14,958	15,237	31,723	74,724	252,837
Depreciation	-	-	-	-	8,424	8,424
In-Led Cash Reimposed	18,212	-	22,888	-	-	41,100
TOTAL EXPENSES	\$ 107,987	\$ 14,958	\$ 15,237	\$ 31,723	\$ 83,148	\$ 252,936

URBAN LEAGUE OF GREATER NEW ORLEANS, INC.
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets	\$ 80,181
Adjustment to Reconcile Increase in Net Assets	
to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	18,756
Amortization of Prepaid Interest Cost	2,417
(Increase) in Accounts Receivable - Special Events	(6,059)
(Increase) in Accounts Receivable - Other	(6,079)
Decrease in Contributions Receivable	18,080
(Increase) in Due From Funding Agencies	(3,066)
(Increase) in Prepaid Expenses	(4,428)
(Increase) in Accounts Payable	(75,551)
Increase in Accounts Payable - Employees	3,371
Increase in Accrued Liabilities	8,458
Increase in Unearned Revenue	72,983
Net Cash Provided by Operating Activities	<u>62,892</u>

CASH FLOWS FROM INVESTING ACTIVITIES

(Decrease) in Certificates of Deposit	(156)
Decrease in Accounts Receivable - Employees	<u>4,368</u>
Net Cash Provided by Investing Activities	<u>4,212</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Lines of Credit	(26,814)
Payments on Notes Payable	<u>(13,472)</u>
Net Cash Used in Financing Activities	<u>(38,522)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 31,548

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 83,951

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 117,487

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, 1997

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Revenues:				
Government Grants and Contracts	\$ 1,181,689	\$ -	\$ -	\$ 1,181,689
Board-Donated Staff-Support	194,288	-	-	194,288
Client-Donated Staff-Support	28,141	-	-	28,141
Other Revenue	(480,878)	-	-	(480,878)
Total Revenue	<u>1,963,182</u>	<u>-</u>	<u>-</u>	<u>1,963,182</u>
Public Support:				
United Way	173,140	-	-	173,140
United Way Designation	11,430	-	-	11,430
CFC Designation	(4,892)	-	-	(4,892)
Total Public Support	<u>189,678</u>	<u>-</u>	<u>-</u>	<u>189,678</u>
Total Public Support and Revenue	<u>2,151,838</u>	<u>-</u>	<u>-</u>	<u>2,151,838</u>
EXPENSES				
Program Services:				
Employment and Economic Development	812,504	-	-	812,504
Family Child Center	1,008,856	-	-	1,008,856
Comprehensive Program for Youth	15,127	-	-	15,127
Street Academy	254,008	-	-	254,008
Organization for Community Involvement	38,203	-	-	38,203
Total Program Services	<u>1,831,898</u>	<u>-</u>	<u>-</u>	<u>1,831,898</u>
Support Services:				
Management and General	209,464	-	-	209,464
Fund Raising	34,363	-	-	34,363
Total Support Services	<u>243,827</u>	<u>-</u>	<u>-</u>	<u>243,827</u>
TOTAL EXPENSES	<u>2,075,625</u>	<u>-</u>	<u>-</u>	<u>2,075,625</u>
CHANGE IN NET ASSETS	<u>80,283</u>	<u>-</u>	<u>-</u>	<u>80,283</u>
NET ASSETS, BEGINNING OF YEAR	<u>48,242</u>	<u>-</u>	<u>18,100</u>	<u>66,342</u>
NET ASSETS, END OF YEAR	<u>\$ 128,525</u>	<u>\$ -</u>	<u>\$ 18,100</u>	<u>\$ 146,625</u>

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

LIABILITIES AND NET ASSETS**CURRENT LIABILITIES**

Accounts Payable	\$ 187,584
Due to Employees	9,175
Accounts Payable	17,370
Unearned Revenue	22,083
Current Maturities of Notes Payable	<u>15,452</u>
Total Current Liabilities	<u>251,664</u>

LONG-TERM

Long-Term Maturities of Notes Payable	<u>13,006</u>
---------------------------------------	---------------

NET ASSETS

Unrestricted	129,054
Temporarily Restricted	-
Permanently Restricted	<u>18,189</u>
Total Net Assets	<u>147,243</u>

Total Liabilities and Net Assets \$ 381,854

URBAN LEAGUE OF GREATER NEW ORLEANS, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 1997

ASSETS

CURRENT

Cash and Cash Equivalents	\$ 177,487
Certificates of Deposit	2,743
Accounts Receivable from Participants in Special Events, Loan Allowance for Unallocated Accounts of \$3,150	78,918
Accounts Receivable - Other	2,080
Due from Funding Agencies	<u>83,142</u>
Total Current Assets	<u>344,368</u>

PROPERTY AND EQUIPMENT

Equipment, Less Accumulated Depreciation of \$32,119	<u>36,513</u>
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OTHER ASSETS

Deposits	150
Unamortized Interest Cost	6,647
Prepaid Expenses	28,125
Cash and Cash Equivalents - Permanently Restricted	<u>18,180</u>
Total Other Assets	<u>53,102</u>

Total Assets \$ 434,023

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

Our audit was performed for the purpose of forming an opinion on the basic financial statements of 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, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. In addition, the accompanying supplementary financial information on page 14 is presented for purposes of additional information. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



A Professional Accounting Corporation

December 12, 1997

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

We have audited the statement of financial position of **URBAN LEAGUE OF GREATER NEW ORLEANS, INC.** as of June 30, 1997, and the related statements of activities, cash flows, and functional expenses 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 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, and the provisions of Office of Management and Budget Circular A-133, *Amity of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 D to the financial statements, accrued pension cost pertaining to the League's defined benefit plan is not included in accordance with Statement of Financial Accounting Standards (SFAS) No. 87, "Employers' Accounting for Pensions." In our opinion, generally accepted accounting principles require that accrued pension costs be recorded in accordance with SFAS No. 87.

In our opinion, except for the effects of not recording accrued pension costs in accordance with SFAS No. 87, the financial statements referred to above present fairly, in all material respects, the financial position of **URBAN LEAGUE OF GREATER NEW ORLEANS, INC.** as of June 30, 1997, and the changes in its net 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 12, 1997, on our consideration of **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.

A Professional Accounting Organization

400 Two Subway Center, 2025 P. Conway Blvd., Metairie, LA 70002 (504) 885-5522 FAX (504) 885-5575

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Member of AICPA (filed for CPA Exam Exemption Certificate, Public Section) and SEC Pre-1933 Section
International Affiliation with Accounting Firm Associated, Inc.

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URBAN LEAGUE OF
GREATER NEW ORLEANS, INC.

June 18, 1997

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: MAY 04 1998

Audit of Financial Statements

For The Year Ended
June 30, 1997