

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

**FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011
TOGETHER WITH REPORT OF INDEPENDENT ACCOUNTANT**

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STEVEN J. CORSO

CERTIFIED PUBLIC ACCOUNTANT
1850 FOREST HILL BLVD., SUITE 204
WEST PALM BEACH, FLORIDA 33406
TEL. (561) 963-1003 • FAX (561) 963-1006
Member of Florida Institute of Certified Public Accountants

Report of Independent Accountant

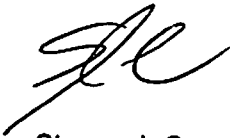
Board of Directors
Urban League of Palm Beach County, Inc.
West Palm Beach, FL

I have audited the accompanying statement of financial position of Urban League of Palm Beach County, Inc. (The 'Organization') as of June 30, 2011, 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. 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 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. I believe that my audit provides a reasonable basis for my 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, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated November 3, 2011 on my consideration of the Organization's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.



Steven J. Corso, CPA
November 3, 2011

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011

	FUNDS		<u>TOTAL</u>
	<u>UNRESTRICTED</u>	TEMPORARILY <u>RESTRICTED</u>	
<u>ASSETS</u>			
Cash	\$ 138,966	\$ 0	\$ 138,966
Grants & Other Receivable	276,462	0	276,462
Prepaid Expenses	3,151	0	3,151
Building, Land & Equipment	534,759	0	534,759
Less Accumulated Depreciation	<u>(378,697)</u>	<u>0</u>	<u>(378,697)</u>
Total Assets	<u>\$ 574,641</u>	<u>\$ 0</u>	<u>\$ 574,641</u>
 <u>LIABILITIES</u>			
Accounts Payable	\$ 32,370	\$ 0	\$ 32,370
Accrued Expenses	50,241	0	50,241
Deferred Revenue	112,229	0	112,229
Notes Payable	<u>112,239</u>	<u>0</u>	<u>112,239</u>
Total Liabilities	<u>307,079</u>	<u>0</u>	<u>307,079</u>
 <u>NET ASSETS</u>	 <u>267,562</u>	 <u>0</u>	 <u>267,562</u>
 Total Liabilities & Net Assets	 <u>\$ 574,641</u>	 <u>\$ 0</u>	 <u>\$ 574,641</u>

Read Accompanying Notes

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

	<u>FUNDS</u>		<u>TOTAL</u>
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	
SUPPORT & REVENUE			
Grants & Contributions	\$ 1,080,993	\$ 798,796	\$ 1,879,789
Fund Raising Events	154,690	0	154,690
Direct Exp. to Fund Raising Events	(79,788)	0	(79,788)
Membership Dues	3,313	0	3,313
Program Income	12,835	0	12,835
Interest Income	45	0	45
Net Assets Released From Restriction	798,796	(798,796)	0
Total Revenue	<u>1,970,884</u>	<u>0</u>	<u>1,970,884</u>
EXPENSES			
Program Services	<u>1,676,107</u>	<u>0</u>	<u>1,676,107</u>
Support Services			
General & Administrative	233,561	0	233,561
Fund Raising	13,840	0	13,840
Total Support Services	<u>247,401</u>	<u>0</u>	<u>247,401</u>
Total Expenses	<u>1,923,508</u>	<u>0</u>	<u>1,923,508</u>
CHANGE IN NET ASSETS	<u>47,376</u>	<u>0</u>	<u>47,376</u>
BEGINNING NET ASSETS	<u>220,186</u>	<u>0</u>	<u>220,186</u>
ENDING NET ASSETS	<u>\$ 267,562</u>	<u>\$ 0</u>	<u>\$ 267,562</u>

Read Accompanying Notes

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>FUNDS</u>		<u>TOTAL</u>
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	
Cash Flows From Operating			
Activities:			
Grants & Contributions Received	\$ 1,243,207	\$ 798,796	\$ 2,042,003
Fundraising Revenue Received	154,690	0	154,690
Membership Dues Received	3,313	0	3,313
Interest Received	45	0	45
Other Income	12,835	0	12,835
Fundraising Expenses Paid	(79,788)	0	(79,788)
Operating Expenses Paid	(2,011,275)	0	(2,011,275)
Net Assets Released From Restriction	<u>798,796</u>	<u>(798,796)</u>	<u>0</u>
Net Cash Provided from Operating			
Activities:	<u>121,823</u>	<u>0</u>	<u>121,823</u>
Cash Flows From Investing			
Activities:			
Purchase of Equipment	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided from Investing			
Activities:	<u>0</u>	<u>0</u>	<u>0</u>
Cash Flows From Financing			
Activities:			
Net Change In Notes Payable	(79,132)	0	(79,132)
Due To Temporarily Restricted	0	0	0
Due To Other Organization	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided from Financing			
Activities:	<u>(79,132)</u>	<u>0</u>	<u>(79,132)</u>
Net Increase In Cash	<u>42,691</u>	<u>0</u>	<u>42,691</u>
Cash At Beginning of Year	<u>96,275</u>	<u>0</u>	<u>96,275</u>
Cash At End of Year	<u>\$ 138,966</u>	<u>\$ 0</u>	<u>\$ 138,966</u>

Read Accompanying Notes

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

<u>EXPENSES</u>	<u>Program Services</u>	<u>General & Admin</u>	<u>Fund Raising</u>	<u>Total</u>
Advertising & Marketing	\$ 3,559	\$ 0	\$ 0	\$ 3,559
Auto Expense	10,013	2,126	375	12,514
Bad Debt	31,693	0	0	31,693
Building Rent	3,670	14,813	0	18,483
Contributions	1,770	0	0	1,770
Depreciation	4,981	1,058	186	6,225
Dues & Subscriptions	11,197	2,378	418	13,993
Employee Health & Benefits	68,468	10,495	500	79,463
Equipment Lease	18,359	3,901	689	22,949
Insurance	20,118	4,273	754	25,145
Interest	10,922	2,238	0	13,160
Licenses & Taxes	2,605	534	0	3,139
Local Travel	9,906	854	808	11,568
Miscellaneous	2,603	533	0	3,136
Office Supplies & Expenses	8,186	1,739	306	10,231
Outside Services	11,492	2,873	0	14,365
Postage & Delivery	2,161	459	81	2,701
Professional Fees	15,096	9,400	0	24,496
Program	270,810	0	0	270,810
Rental Assistance	15,331	0	0	15,331
Repairs & Maintenance	17,481	3,579	0	21,060
Salary & Wages	1,090,427	167,144	7,963	1,265,534
Service Charges	0	505	0	505
Telephone	10,723	827	1,161	12,711
Training & Development	10,239	0	0	10,239
Travel	8,332	439	0	8,771
Utilities	15,965	3,393	599	19,957
Total Expenses	<u>\$ 1,676,107</u>	<u>\$ 233,561</u>	<u>\$ 13,840</u>	<u>\$ 1,923,508</u>

Read Accompanying Notes

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

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

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

Many volunteers have donated a substantial amount of hours to the Organization. No amounts have been reflected in the financial statements for such donated services since the services do not require specialized skills. If professional services were donated these services would be reflected in the statement of activities at their fair value.

Generally materials and other assets received as donations are recorded and reflected in the financial statements at their fair values at the date of receipt. Non-cash donations totaled \$95,383 for the year ended June 30, 2011. These donations have been recorded in the financial statements as individual contributions.

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

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.

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, 2011.

Grants and contracts receivable represent program expenses incurred for which payment was not received by the Organization as of June 30, 2011. The balance of \$276,462 at June 30, 2011, is deemed to be fully collectible by management; thereby there is no allowance for bad debt.

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

5. Building, Land & Equipment:

Autos & Trucks	\$ 34,346
Buildings	383,947
Computers & Equipment	77,719
Furniture & Fixtures	25,684
Land	<u>13,063</u>
	534,759
Accumulated Depreciation	<u>(378,697)</u>
	<u>\$ 156,062</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, 2011 have been included in the statement of activities under the following functional expense categories:

Program Services	\$ 3,670
Supporting Services:	
General & Administrative	<u>14,813</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, 2011, the Organization accrued a liability of \$50,241 for accumulated vacation, which is included in accrued expenses on the accompanying financial statements.

8. Notes Payable:

In October of 2008, the Organization received a loan from Wachovia Bank in the amount of \$55,000. As of June 30, 2011, the Organization has a balance of \$28,239 on the loan. The loan is secured by a mortgage on the Organization's administrative building. Under the loan agreement, principal and interest are due in monthly installments of \$1,103 and the loan matures on October 14, 2013. Interest is at 7.44% per annum.

9. Line of Credit:

The Organization has a revolving line of credit with Wachovia. 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, 2011 was \$58,000.

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, 2011 was \$26,000.

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

9. Temporarily Restricted Net Assets:

In the fiscal year ended June 30, 2011, the Organization started with \$0 in temporarily restricted net assets. The Organization received restricted contributions in the amount of \$798,796. The contributors restricted the usage of these funds for various programs. As of June 30, 2011, all restricted revenue was expended on the designated programs leaving temporarily restricted net assets of \$0.

10. Federal & State Audit Requirement:

Non-Federal entities that expend less than \$500,000 in a year in Federal or State awards are exempt from the federal audit requirement of the single audit in accordance with the provisions of Circular A-133. The Organization has expended less than \$500,000 in Federal or State awards for the year ended June 30, 2011.

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
SUPPLEMENTAL SCHEDULE OF INCOME AND EXPENSES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2010 - 2011

	<u>Actual 2010</u>	<u>Budget 2011</u>	<u>Actual 2011</u>
<u>SUPPORT & REVENUE</u>			
Grants & Contributions	\$ 1,898,809	\$ 1,915,514	\$ 1,879,789
Fund Raising Events	149,754	145,000	154,690
Direct Exp. to Fund Raising Events	(46,568)	(46,240)	(79,788)
Membership Dues	2,773	3,000	3,313
Program Service Revenue	1,787	2,500	12,835
Interest Income	47	45	45
Total Revenue	2,006,602	2,019,819	1,970,884
<u>EXPENSES</u>			
Advertising & Marketing	2,700	11,250	3,559
Auto Expense	9,470	16,957	12,514
Bad Debt	3,131	3,186	31,693
Contributions	1,720	3,500	1,770
Dues & Subscriptions	14,402	14,000	13,993
Employee Health & Benefits	63,861	76,872	79,463
Equipment Lease	20,373	25,000	22,949
Insurance	26,072	23,683	25,145
Interest	12,439	16,051	13,160
Licenses & Taxes	5,209	3,621	3,139
Local Travel	8,720	19,095	11,568
Miscellaneous	1,411	4,682	3,136
Office Supplies & Expense	5,375	8,813	10,231
Outside Services	15,009	16,479	14,365
Postage & Delivery	2,406	5,700	2,701
Professional Fees	23,658	25,096	24,496
Program	453,231	379,303	270,810
Rental Assistance	42,391	15,000	15,331
Repairs & Maintenance	26,718	20,115	21,060
Wages & Expenses	1,216,197	1,239,165	1,265,535
Service Charges	475	1,854	504
Telephone	10,128	10,426	12,711
Training & Development	16,200	20,401	10,239
Travel / Conferences	5,074	34,359	8,771
Utilities	26,585	25,211	19,957
Total Expenses	2,012,955	2,019,819	1,898,800
Excess (Deficit) Before			
Depreciation & Building Rent	(6,353)	0	72,084
Depreciation	8,407	0	6,225
Building Rent	0	0	18,483
Excess (Deficit)	\$ (14,760)	\$ 0	\$ 47,376

STEVEN J. CORSO

CERTIFIED PUBLIC ACCOUNTANT
1850 FOREST HILL BLVD., SUITE 204
WEST PALM BEACH, FLORIDA 33406
TEL. (561) 963-1003 • FAX (561) 963-1006
Member of Florida Institute of Certified Public Accountants

Report of Independent Accountant on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

I have audited the financial statements of Urban League of Palm Beach County, Inc., as of and for the year ended June 30, 2011, and have issued my report thereon dated November 3, 2011. 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.

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 which certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Government Auditing Standards.

In planning and performing my audit, I considered Urban League of Palm Beach County, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

We noted certain matters that we have reported to management in the attached management letter dated November 3, 2011.

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



Steven J. Corso, CPA.
November 3, 2011

STEVEN J. CORSO
Certified Public Accountant

1850 Forest Hill Blvd., Suite 204
West Palm Beach, FL 33406
TEL. 561-963-1003
FAX 561-963-1006

Member of Florida Institute of Certified Public Accountants

November 3, 2011

Urban League of Palm Beach County, Inc.
West Palm Beach, FL

I have audited the financial statements of Urban League of Palm Beach County, Inc. (a non-profit organization) as of and for the year ended June 30, 2011, and have issued my report thereon dated November 3, 2011.

In planning and performing my audit of the financial statements of Urban League of Palm Beach County, Inc. for the year ended June 30, 2011, I considered Urban League of Palm Beach County, Inc.'s internal control structure in order to plan my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

At the conclusion of each audit engagement it is my practice to submit comments and suggestions on accounting procedures, internal control and other matters to management. The comments contained herein are based on observations made during my examination of the financial statements of Urban League of Palm Beach County, Inc. as of June 30, 2011 and may reiterate comments and suggestions made orally. The suggestions for improvements and changes should not be construed as a reflection on the abilities or effectiveness of any Organization employee.

Underlying Accounting Records - The underlying accounting records were maintained in an extremely accurate and professional manner with information readily available to me.

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November 3, 2011

Findings – There were no findings to report.

Respectfully,

A handwritten signature in black ink, appearing to read 'S. Corso', written in a cursive style.

Steven J. Corso
Certified Public Accountant