

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

FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018
TOGETHER WITH REPORT OF INDEPENDENT ACCOUNTANT

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William Washington

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of Urban League of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Urban League of Palm Beach County, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 10, 2018, on my consideration of Urban League of Palm Beach County, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Urban League of Palm Beach County, Inc.'s internal control over financial reporting and compliance.

William Washington, CPA

West Palm Beach, FL
October 10, 2018

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2018

	<u>TOTAL</u>
<u>ASSETS</u>	
Cash & Cash Equivalents	\$ 10,017
Grants & Other Receivable	382,763
Due from Other Organization	89,268
Other	10,217
Building, Land & Equipment - Net	<u>403,865</u>
Total Assets	\$ <u>896,130</u>
 <u>LIABILITIES</u>	
Accounts Payable	\$ 41,130
Accrued Expenses	106,939
Deferred Revenue	<u>228,607</u>
Total Liabilities	<u>376,676</u>
 <u>NET ASSETS, UNRESTRICTED</u>	 <u>519,454</u>
 Total Liabilities & Net Assets	 \$ <u>896,130</u>

Read Accompanying Notes

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>TOTAL</u>
SUPPORT & REVENUE	
Grants & Contributions	\$ 4,595,929
Fund Raising Events, net of \$87,850	314,358
Other Income	10,198
Loss on Sale of Property	<u>(17,217)</u>
Total Revenue	<u>4,903,268</u>
 EXPENSES	
Program Services	<u>4,237,418</u>
Support Services	
General & Administrative	413,510
Fund Raising	<u>113,754</u>
Total Support Services	<u>527,264</u>
Total Expenses	<u>4,764,682</u>
 CHANGE IN NET ASSETS	 <u>138,586</u>
 BEGINNING NET ASSETS	 <u>380,868</u>
 ENDING NET ASSETS	 <u>\$ 519,454</u>

Read Accompanying Notes

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

OPERATING ACTIVITIES:

Change in Net Assets	\$	138,586
Adjustment to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation		26,021
Changes in Operating Assets and Liabilities:		
Grants and Contract Receivable		42,472
Due from Other Organization		(10,947)
Other		(4,179)
Deferred Revenue		7,661
Accrued Expenses		(51,692)
Accounts Payable		(40,244)
Net Cash Provided by (Used in) Operating Activities		107,678

INVESTING ACTIVITIES:

Sales of Property		101,324
Purchase of Property		(2,925)
Net Cash Used by Investing Activities		98,399

FINANCING ACTIVITIES:

Payment of Note Payable		(217,725)
Net cash provided in financing activities		(217,725)

Decrease in Cash		(11,648)
Cash at Beginning of Year		21,665
Cash at End of Year	\$	10,017

Interest Paid	\$	13,103
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Read Accompanying Notes

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

<u>EXPENSES</u>	<u>Program Services</u>	<u>General & Admin</u>	<u>Fund Raising</u>	<u>Total</u>
Auto Expense	\$ 2,112	\$ 4,652		\$ 6,764
Rental	33,758	4,534	\$ 1,008	39,300
Depreciation	22,351	3,003	667	26,021
Dues & Subscriptions	4,399	13,633	2,308	20,340
Equipment Exp. & Lease	22,043	2,961	658	25,662
Insurance	14,539	24,586	46	39,171
Interest	168	12,935		13,103
Development	325	1,560	12,770	14,655
Miscellaneous		3,648		3,648
Office Supplies & Expenses	5,921	7,345	497	13,763
Outside Services	56,678	2,433	440	59,551
Professional Fees	11,352	23,463		34,815
Program	2,225,926			2,225,926
Repairs & Maintenance	61,261	8,229	1,829	71,319
Salary & Wages	1,696,711	285,485	89,290	2,071,486
Telephone	40,690	5,466	1,215	47,371
Training & Development	1,860	265	1,950	4,075
Travel	3,211	4,730	58	7,999
Utilities	34,113	4,582	1,018	39,713
Total Expenses	<u>\$ 4,237,418</u>	<u>\$ 413,510</u>	<u>\$ 113,754</u>	<u>\$ 4,764,682</u>

Read Accompanying Notes

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

1. General Description of Activities and Significant Accounting Policies:

The Urban League of Palm Beach County, Inc. (the "Organization") is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code.

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.

The Organization offers stellar programs in the areas of youth empowerment, economic empowerment, and community empowerment. These programs promote housing, jobs, education and career training and placement.

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

Basis of Accounting

The financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses recorded when incurred.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

1. General Description of Activities and Significant Accounting Policies, Continued:

Property and Equipment

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Income Taxes

The Organization is a not-for-profit Organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

1. General Description of Activities and Significant Accounting Policies, Continued:

Functional Expenses

Expenses are allocated based on their proportionate share of total benefit.

2. Restrictions on Net Assets:

As of June 30, 2018, the Organization had no temporarily restricted assets.

3. Revenue Recognition

The Organization recognizes revenue from grants and contracts when earned and other revenues and contributions when received. Pledges or promises to give that are, in substance, unconditional are considered a basis for recording future revenue.

4. Grants & Other Receivables:

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, 2018.

Grants and contracts receivable represent program expenses incurred for which payment was not received by the Organization as of June 30, 2018. Other receivables consist of pledges from corporate and individual donors. Management believes that all receivables are collectible; therefore the Organization has not included a provision for uncollectible accounts. Any accounts deemed uncollectible are charged to expense when the determination is made. At June 30, 2018, the Organization has \$382,763 in grants and other receivables.

5. Summary of Fixed Assets and Depreciation

Autos & Trucks	\$ 91,113
Buildings	662,505
Land	13,063
Computers & Equipment	70,033
Furniture & Fixtures	<u>62,011</u>
	898,725
Accumulated Depreciation	<u>(494,860)</u>
	<u>\$ 403,865</u>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

6. Compensated Absences:

Employees receive annual leave based upon length of employment. Annual leave may not be accumulated, and accordingly, no liability for compensated absences.

7. Related Party:

The Organization received \$ 2,442,580 from National Urban League for services performed under a multiple grant agreement which is included in grants and contributions. At June 30, 2018 a related nonprofit organization which operates housing for low and moderate families owes the Organization \$89,268 for cash advances. Management believes that assets of the related nonprofit are sufficient to ensure repayment.

8. Line of Credit:

The Organization has a revolving line of credit of \$350,000. The line bears interest at 5 percent per annum and is payable monthly. The line is secured by property, equipment, and grants and contracts receivable. There is no balance outstanding at June 30, 2018.

9. Employee Retirement Plan:

The Organization offers a 403-b retirement plan to its employees and makes matching contributions. Retirement benefits for the year are \$19,507.

10. Concentration of Risks

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.

11. Restatement of Assets

The Organization established the Edward Rodgers Endowment fund, and irrevocable charitable endowment trust, to receive and invest funds for the benefit of the Organization. The investments are administered and held by a nonprofit organization. The Organization transferred \$25,000 of unrestricted funds into the endowment. This transfer is listed as permanently restricted in the prior year, however, it is an irrevocable gift to a permanent endowment to a foundation and is not included in the financial statements.

12. Date of Management Review:

Subsequent events have been evaluated through October 10, 2018, which is the date the financial statements were available for issued.



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Certified Public Accountant

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Urban League of Palm Beach County, Inc. ("UL") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated October 10, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

William Washington, CPA

West Palm Beach, FL
October 10, 2018



William Washington
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

I have audited Urban League of Palm Beach County, Inc. (UL)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of UL's major federal programs for the year ended June 30, 2018. UL's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of UL's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about UL's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In my opinion, UL complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of UL is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered UL's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of UL's internal control over compliance.

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

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

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

William Washington, CPA

West Palm Beach, FL
October 10, 2018

Urban League of Palm Beach County, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U. S. Department of Labor Pass through National Urban League			
The Urban Seniors Jobs Program	17.235		\$ 1,851,187
H 1 B Ready to Work	17.268		<u>333,720</u>
Total U. S. Department of Housing and Urban Development			<u>2,184,907</u>
U. S. Department of Justice	16.726		5,251
U. S. Department of Housing and Urban Development	14.169		57,613
U. S. Department of Health and Human Services	93.118		7,000
Total			<u><u>\$ 2,254,771</u></u>

See accompanying notes to schedule of expenditures.

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

NOTE 1—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Federal Awards (Uniform Guidance) Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles *Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (b) Pass-through entity identifying numbers are presented where available.
- (c) The Organization did elect to use the 10 percent de minimis indirect cost rate.

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

Section A-SUMMARY OF AUDITOR'S RESULTS

- (a) The auditor's report expresses an unmodified opinion on the financial statements of UL.
- (b) No material weaknesses relating to the audit of the financial statements are reported in the independent auditor's report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with Government Auditing Standards. No significant deficiencies were reported.
- (c) No instances on noncompliance material to the financial statements of UL were disclosed during the audit.
- (d) No material weaknesses relating to the audit of the major federal program are reported in the independent auditor's report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance. No significant deficiencies were reported.
- (e) The independent auditor's report on compliance for each major federal program for UL expresses an unmodified opinion.
- (f) No audit findings relative to the major federal program for UL are reported in this schedule.
- (g) The programs tested as major programs include: U.S. Department of Housing and Urban Development, CFDA 17.235, and 17.268 Urban Senior Jobs and Ready to Work.
- (h) The threshold used for distinguishing between Type A and B programs was \$750,000.
- (i) The UL was not determined to be a low-risk auditee.

Section B-FINDINGS---FINANCIAL STATEMENT AUDIT

No material weakness was identified during the audit of the financial statements nor were any instances of noncompliance material to the financial statements of UL during the audit.

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

None noted.

Section D No prior audit finding for federal programs. No corrective action plan is required.

Section E No prior year financial statement findings.