



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ROBERT GORDON
DIRECTOR

February 12, 2019

N. Charles Anderson, President / CEO
Urban League of Detroit & Southeastern Michigan
208 Mack Avenue
Detroit, Michigan 48201

Dear Mr. Anderson:

Attached is our final report from the Michigan Department of Health and Human Services audit of the Detroit Urban League, Inc. WIC Program for the period October 1, 2016 through September 20, 2017.

The final report contains the following: Description of Agency; Funding Methodology; Purpose and Objectives; Scope and Methodology; Conclusions, Findings and Recommendations; and Statements of Grant Program Revenues and Expenditures. No exceptions were noted during our audit.

Final reports are posted for public viewing on the MDHHS website at:
https://www.michigan.gov/mdhhs/0,5885,7-339-73970_43164-151236--,00.html

Thank you for the cooperation extended throughout this audit process.

Sincerely,

A handwritten signature in black ink, reading "Shannah M. Havens".

Shannah M. Havens, CPA, CISA
Audit Section Manager
Population Health and Community Services Programs Section
Audit Division

Attachment

cc: Debra S. Hallenbeck, Director, Audit Division
Christina Herring, Director, WIC Division
Brittany LaRue, Manager, Financial Management and FMNP Unit
Kelly Voegeding, Financial Analyst, WIC Division
Bryce Wooton, Auditor, Population Health and Community Services Programs Section
Yvonne A. Willis, VP Finance and Administration, ULDSEM

Audit Report

Detroit Urban League, Inc.

Women, Infants, and Children Program

October 1, 2016 – September 30, 2017



Bureau of Audit

Audit Division

February 2019

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DESCRIPTION OF AGENCY

The Detroit Urban League, Inc. (Agency) is organized as a not-for-profit agency, under the provision of 501(c)(3) of the Internal Revenue Code. The Agency's Administrative Office is located in Detroit, Michigan. The Agency operates under the legal supervision and control of its Board of Directors. The Agency is an affiliate of National Urban League, Inc., and provides various social, educational, and community services to the residents of Detroit, Michigan.

FUNDING METHODOLOGY

The Agency receives funding from various sources including: U.S. Department of Agriculture through the Michigan Department of Health and Human Services (MDHHS); U.S. Department of Labor through the National Urban League; and corporate and private contributors. MDHHS provided the Agency with grant funding monthly, based on Financial Status Reports, in accordance with the terms and conditions of each grant agreement and budget.

The Women, Infants, and Children (WIC) Program was funded by MDHHS Grant Funds. Grant funding from MDHHS for the WIC Program was federal funding under federal catalog number 10.557.

PURPOSE AND OBJECTIVES

The purpose of this audit was to assess the Agency's financial reporting and to determine the MDHHS shares of cost according to the agreements, and program standards and regulations. The following were the specific objectives of the audit:

1. To assess the Agency's effectiveness and accuracy in reporting its financial activity to MDHHS in accordance with MDHHS requirements and agreements, Federal standards, program standards, and generally accepted accounting principles.
2. To determine the MDHHS shares of cost in accordance with MDHHS requirements and agreements, Federal standards and program standards, and any balance due to or due from the Agency.

SCOPE AND METHODOLOGY

We examined the Agency's records and activities for the period October 1, 2016 to September 30, 2017. Our review procedures included the following:

- Reviewed the most recent Agency's Single Audit and Financial Statement Audit Reports for any WIC Program related concerns.
- Reviewed the Grant Agreement, Budgets, and Program Specific Assurances and Requirements.
- Reviewed policies to ensure they meet applicable requirements and guidelines.
- Reviewed the most recently completed Subrecipient Questionnaire.
- Reconciled the WIC Program Financial Status Reports (FSRs) and MDHHS payment schedules to the accounting records.
- Tested a selection of payroll and non-payroll expenditures for program compliance; and adherence to policies, Federal and program guidelines, and approval procedures.
- Reviewed building space/lease costs for proper reporting and compliance with Federal requirements.
- Reviewed equipment purchases over \$2,500 for the WIC Program.
- Reviewed indirect cost and other cost allocations for reasonableness, and an equitable methodology.

Our audit did not include a review of program content or quality of services provided.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

FINANCIAL REPORTING

Objective 1: To assess the Agency's effectiveness and accuracy in reporting its financial activity to MDHHS in accordance with MDHHS requirements and agreements, Federal standards, program standards, and generally accepted accounting principles.

Conclusion: The Agency was effective and accurate in reporting its financial activity to MDHHS in accordance with MDHHS requirements and agreements, Federal standards, program standards, and generally accepted accounting principles.

MDHHS SHARES OF COST AND BALANCE DUE

Objective 2: To determine the MDHHS shares of cost in accordance with MDHHS requirements and agreements, Federal standards and program standards, and any balance due to or due from the Agency.

Conclusion: The MDHHS obligations for fiscal year ended September 30, 2017 are \$1,894,005 for the WIC Special Supplemental Grant and \$53,894 for the WIC Breastfeeding Peer Counselor Grant. The attached Statements of Grant Program Revenues and Expenditures show the budgeted, reported, and allowable costs. No audit adjustments were made.

Detroit Urban League, Inc.
WIC Special Supplemental
Statement of Grant Program Revenues and Expenditures
10/1/16 - 9/30/17

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MDHHS Grant	\$2,078,831	\$1,894,005 ¹		\$1,894,005
TOTAL REVENUES	\$2,078,831	\$1,894,005	\$0	\$1,894,005
EXPENDITURES:				
Salary & Wages	\$1,078,348	\$978,339		\$978,339
Fringe Benefits	\$377,422	\$353,292		\$353,292
Travel	\$7,621	\$9,748		\$9,748
Supplies & Materials	\$55,449	\$54,218		\$54,218
Contractual	\$10,153	\$13,214		\$13,214
Other	\$185,895	\$152,287		\$152,287
Indirect Costs	\$363,943	\$332,908		\$332,908
TOTAL EXPENDITURES	\$2,078,831	\$1,894,005	\$0	\$1,894,005

¹ Actual MDHHS payments.

Detroit Urban League, Inc.
WIC Breastfeeding Peer Counselor
Statement of Grant Program Revenues and Expenditures
10/1/16 - 9/30/17

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MDHHS Grant	\$86,786	\$53,894 ¹		\$53,894
TOTAL REVENUES	\$86,786	\$53,894	\$0	\$53,894
EXPENDITURES:				
Salary & Wages	\$45,720	\$29,460		\$29,460
Fringe Benefits	\$10,910	\$6,117		\$6,117
Travel	\$1,114	\$804		\$804
Supplies & Materials	\$9,171	\$8,211		\$8,211
Communication	\$2,500	\$180		\$180
Other	\$3,213	\$228		\$228
Indirect Costs	\$14,158	\$8,894		\$8,894
TOTAL EXPENDITURES	\$86,786	\$53,894	\$0	\$53,894

¹ Actual MDHHS payments.