

URBAN LEAGUE OF LOUISIANA, INC.
AND SUBSIDIARY

CONSOLIDATED FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Urban League of Louisiana, Inc. and Subsidiary
New Orleans, Louisiana

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the **Urban League of Louisiana, Inc. and Subsidiary (the League)** (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Urban League of Louisiana, Inc. and Subsidiary
New Orleans, Louisiana
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 entity's internal control. Accordingly, we 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to on the previous page present fairly, in all material respects, the financial position of **the League** as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of **the League** as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purpose of additional analysis and is not a required part of the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Urban League of Louisiana, Inc. and Subsidiary
New Orleans, Louisiana
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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 consolidated financial statements. Also, the accompanying Schedules II, III, and IV are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022 on our consideration of the **League's** internal control over financial reporting and on our 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the **League's** internal control over financial reporting and compliance.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

February 22, 2022

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and cash equivalents (NOTE 1)	\$ 1,778,502	\$ 1,322,790
Short-term investments	3,527	1,597
Due from funding agencies (NOTE 16)	1,034,230	525,727
Prepaid expenses and other assets	39,933	24,207
Promises to give (NOTE 15)	56,635	103,698
Land, building and equipment, net (NOTES 1 and 3)	6,727,809	7,020,068
Endowment fund (NOTES 10 and 20)	<u>50,386</u>	<u>40,273</u>
 Total assets	 <u>\$ 9,691,022</u>	 <u>\$ 9,038,360</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Current portion of long-term debt (NOTE 4)	\$ 171,014	\$ 163,612
Accounts payable	167,368	292,591
Accrued liabilities	70,327	66,033
Revolving lines of credit (NOTE 5)	24,817	375,398
Long-term debt, net (NOTE 4)	<u>1,152,940</u>	<u>1,670,258</u>
 Total liabilities	 <u>1,586,466</u>	 <u>2,567,892</u>
 Net assets (NOTE 1):		
Without donor restrictions	5,256,812	4,886,804
With donor restrictions (NOTE 10)	<u>2,847,744</u>	<u>1,583,664</u>
 Total net assets	 <u>8,104,556</u>	 <u>6,470,468</u>
 Total liabilities and net assets	 <u>\$ 9,691,022</u>	 <u>\$ 9,038,360</u>

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

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES

	For the Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND PUBLIC SUPPORT</u>			
Revenues and public support:			
Federal grants	\$ 1,153,079	\$ 108,930	\$ 1,262,009
State and local grants	514,558	963,407	1,477,965
United Way funding	-	56,379	56,379
Board-generated self support	326,200	40,000	366,200
Client-generated self support	2,333,328	1,302,118	3,635,446
Unconditional contribution (NOTE 22)	380,199	-	380,199
Interest income	545	-	545
Other revenue	233,208	-	233,208
Net assets released from restrictions:			
Satisfaction of purpose and time restrictions (NOTE 9)	1,207,955	(1,207,955)	-
Total revenues and public support	<u>6,149,072</u>	<u>1,262,879</u>	<u>7,411,951</u>
<u>EXPENSES</u>			
Program services: (SCHEDULE IV)			
Economic development	2,279,758	-	2,279,758
Education and social justice	1,823,035	-	1,823,035
Total program services	<u>4,102,793</u>	<u>-</u>	<u>4,102,793</u>
Support services:			
Management and general	1,593,574	-	1,593,574
Resource development	82,697	-	82,697
Total support services	<u>1,676,271</u>	<u>-</u>	<u>1,676,271</u>
Total expenses	<u>5,779,064</u>	<u>-</u>	<u>5,779,064</u>
Realized gain on investments	-	1,201	1,201
Changes in net assets	370,008	1,264,080	1,634,088
Net assets, beginning of year	<u>4,886,804</u>	<u>1,583,664</u>	<u>6,470,468</u>
Net assets, end of year	<u>\$ 5,256,812</u>	<u>\$ 2,847,744</u>	<u>\$ 8,104,556</u>

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

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES, CONTINUED

	For the Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND PUBLIC SUPPORT</u>			
Revenues and public support:			
Federal grants	\$ 788,513	\$ 168,527	\$ 957,040
State and local grants	1,345,357	701,597	2,046,954
United Way funding	1,936	164,869	166,805
Board-generated self support	57,725	143,000	200,725
Client-generated self support	1,463,134	365,230	1,828,364
Interest income	1,597	-	1,597
Other revenue	410,786	-	410,786
In kind contributions	85,822	-	85,822
Net assets released from restrictions:	-	-	-
Satisfaction of purpose and time restrictions (NOTE 9)	865,457	(865,457)	-
Total revenues and public support	5,020,327	677,766	5,698,093
<u>EXPENSES</u>			
Program services:			
Economic development	1,992,211	-	1,992,211
Education and social justice	2,302,060	-	2,302,060
Total program services	4,294,271	-	4,294,271
Support services:			
Management and general	1,764,970	-	1,764,970
Resource development	59,776	-	59,776
Total support services	1,824,746	-	1,824,746
Total expenses	6,119,017	-	6,119,017
Realized gain on investments	-	714	714
Changes in net assets	(1,098,690)	678,480	(420,210)
Net assets, beginning of year	5,985,494	905,184	6,890,678
Net assets, end of year	\$ 4,886,804	\$ 1,583,664	\$ 6,470,468

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

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Agency Total	Total Support Services	Total Program Services	Agency Total	Total Support Services	Total Program Services
<u>EXPENSES</u>						
Compensation expenses	\$ 3,352,763	\$ 759,830	\$ 2,592,933	\$ 3,499,077	\$ 848,580	\$ 2,650,497
Occupancy expenses	487,477	226,354	261,123	436,789	237,983	198,806
Professional fees and contracts	577,651	75,173	502,478	618,094	92,587	525,507
Food	12,227	2,259	9,968	74,699	23,225	51,474
Travel and transportation	26,248	21,991	4,257	64,614	24,500	40,114
Special event expenses	101,007	76,160	24,847	60,646	29,450	31,196
Supplies	97,341	47,016	50,325	123,609	28,543	95,066
Equipment rental	37,924	11,471	26,453	42,571	15,546	27,025
Printing and copying	33,285	7,782	25,503	52,062	4,837	47,225
In-kind costs	-	-	-	85,822	-	85,822
Other direct program expenses	645,109	71,560	573,549	609,457	67,918	541,539
Bad debt	42,375	11,018	31,357	52,486	52,486	-
Interest	82,605	82,605	-	104,852	104,852	-
Depreciation	283,052	283,052	-	294,239	294,239	-
Total Expenses	\$ 5,779,064	\$ 1,676,271	\$ 4,102,793	\$ 6,119,017	\$ 1,824,746	\$ 4,294,271

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

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities:		
Changes in net assets	\$ 1,634,088	\$ (420,210)
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	283,052	294,239
Bad debt expenses	42,375	52,486
Realized gain on investments	(1,201)	(714)
Changes in assets and liabilities:		
Prepaid expenses	(15,727)	(2,296)
Promises to give	47,063	86,435
Due from funding agencies	(550,878)	76,563
Endowment fund	(10,113)	-
Accounts payable	(125,223)	102,265
Accrued liabilities	4,294	(8,312)
Net cash provided by operating activities	1,307,730	180,456
Cash Flows from Investing Activities:		
Change in short term investments	(730)	-
Proceeds from sale of building	9,208	80,192
Net cash provided by investing activities	8,478	80,192
Cash Flows from Financing Activities:		
Payments on line of credit	(350,581)	-
Proceeds from long-term debt/line of credit	-	816,398
Forgiveness of PPP loan	(377,655)	-
Principal payments on long-term debt	(132,260)	(209,524)
Net cash (used in) provided by financing activities	(860,496)	606,874
Net increase in cash and cash equivalents	455,712	867,522
Cash and cash equivalents - beginning of year	1,322,790	455,268
Cash and cash equivalents - end of year	\$ 1,778,502	\$ 1,322,790
Supplemental Disclosures:		
Interest paid	\$ 82,717	\$ 104,852

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

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - **NATURE OF ACTIVITIES AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES:**

Nature of Activities

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

Basis of Accounting

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

Basis of Presentation

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

Effective January 1, 2018, **the League** has implemented the guidance under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which amends the previous standard for external financial reporting by not-for-profit organizations. Under ASU 2016-14, **the League** classifies resources for financial accounting and reporting purposes into two net asset categories: without donor restrictions and with donor restrictions. A description of the two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. Grants and contributions without donor restrictions, other income and expenses incurred in conducting the mission of **The League** are included in this category
- Net assets with donor restrictions include funds subject to donor-imposed stipulations. Grants and contributions and other income in conducting the mission of **the League** are included in this category.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Donated Materials and Services

Donated materials and supplies, which are utilized in several of **the League's** programs, are recorded at their estimated fair 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 FASB ASC 958-605 are not recognized in the consolidated financial statements.

Use of Estimates

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

Allocation of Functional Expenses

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

Federal Income Taxes

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

The League files as a tax-exempt organization. Should that status be challenged in the future, **the League's** 2019, 2020 and 2021 tax years are open for examination by the IRS.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - **NATURE OF ACTIVITIES AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

Allowance for Bad Debt

The League uses the allowance method to provide for uncollectible accounts. At June 30, 2021 and 2020, there were no allowances, respectively. Uncollectible amounts have been historically insignificant.

Land, Building and Equipment

Land, building and equipment purchased or acquired are recorded at cost. **The League's** policy is to capitalize all purchases of buildings and equipment in excess of \$5,000. Depreciation is computed using the straight-line basis over the useful lives of assets as follows:

Building and improvements	27.5 years
Equipment and vehicles	5-7 years

Cash and Cash Equivalents

For the purpose of the consolidated statements of cash flows, **the League** considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Reclassifications

Certain reclassification have been made to the prior year's consolidated financial statements to conform to the current year's presentations.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of **the League** and its affiliated supporting organization. All significant interorganization transactions and balances have been eliminated in consolidation.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - ECONOMIC DEPENDENCY:

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

NOTE 3 - LAND, BUILDING AND EQUIPMENT:

As of June 30, 2021 and 2020, **the League** held the following fixed assets:

	2021	2020
Non-depreciable assets:		
Land (contributed)	\$ 1,105,500	\$ 1,105,500
Total non-depreciable assets	1,105,500	1,105,500
Depreciable assets:		
Building and building improvements/funds	7,699,411	7,758,531
Vehicles	50,965	50,965
Furniture and equipment	311,689	311,689
Total depreciable assets	8,062,065	8,121,185
Less: accumulated depreciation	2,439,756	2,206,617
Total depreciable assets, net	5,622,309	5,914,568
Total land, building and equipment, net	\$ 6,727,809	\$ 7,020,068

Depreciation expense for the years ended June 30, 2021 and 2020 amounted to \$283,052 and \$294,239, respectively.

At June 30, 2021 and 2020, building and building improvements included funds received under grants from U.S. Department of Health and Human Services and U.S. Department of Housing and Urban Development with book values of \$2,113,600 and \$2,221,872, respectively. Under the terms of the grant agreements, the assets, or any proceeds from their sales, revert to the funding source if they cease to be used for the assigned programs.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - LONG-TERM DEBT:

A summary of long-term debt as of June 30, 2021 and 2020 is as follows:

	2021	2020
Adjustable interest rate of 7.50 percent (minimum) two (2) year, \$85,500 loan payable to a bank with quarterly principal and interest payments of \$7,500, maturing on June 4, 2021.	\$ -	\$ 57,795
Adjustable interest rate of 5.25 percent (minimum) two (2) year, \$25,785 loan payable to a bank with quarterly principal and interest payments of \$7,500, maturing on March 30, 2022.	25,784	-
Fixed interest rate of one (1) percent, two (2) year, Paycheck Protection Program (PPP) loan payable to a bank with one (1) balloon payment, maturing on April 28, 2022.	-	377,655
Adjustable daily floor interest rate of 4.50 percent and a ceiling interest rate of 6.50 percent on a ten (10) year, two (2) million note payable to a bank with monthly principal and interest payments of \$13,500, based upon a twenty-five (25) year amortization with a balloon payment due at maturity.	\$ <u>1,298,170</u>	\$ <u>1,398,420</u>
Total long-term debt	1,323,954	1,833,870
Less: Current maturities	<u>(171,014)</u>	<u>(163,612)</u>
Total long-term debt, net	<u>\$ 1,152,940</u>	<u>\$ 1,670,258</u>

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - LONG-TERM DEBT, CONTINUED:

Scheduled principal repayments on the long-term debts are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 171,014
2023	110,575
2024	115,655
2025	120,968
2026	126,526
2027 and thereafter	679,216
	<u>\$ 1,323,954</u>

NOTE 5 - REVOLVING LINES OF CREDIT:

At June 30, 2021 and 2020, **the League** has two (2) 5.25 percent and 7.25 percent revolving lines of credit payable to two (2) banks due on demand with an aggregate unpaid balances of \$24,817 and \$375,398, respectively. The lines of credit are secured by real estate with zero balances of available capacities.

NOTE 6 - PENSION PLAN:

The League sponsors a defined contribution pension plan. Under the plan, **the League** matches up to five (5) percent of the employee's contributions to the plan. Matching contribution expenses during the years ended June 30, 2021 and 2020 were \$66,822 and \$60,200, respectively.

NOTE 7 - OPERATING LEASE AGREEMENTS:

The League leases various items of equipment at its main office and space at four (4) locations for its programs and administrative offices and various other program services. The lease of space is renewed annually. Lease expenses consisted of the following for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Program service – Space	\$ <u>41,268</u>	\$ <u>56,603</u>

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - COMMITMENTS:

The League leased equipment under operating leases expiring in various years through 2026. Future scheduled minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 10,238
2023	8,669
2024	5,671
2025	1,530
2026	<u>1,003</u>
Total minimum future rental payments	<u>\$ 27,111</u>

NOTE 9 - NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets were released from donor restrictions during the years ended June 30, 2021 and 2020 by incurring expenses satisfying the purpose and time restrictions as follows:

	<u>Amounts</u>	
	<u>2021</u>	<u>2020</u>
Educational activities - general - United Way	\$ 51,936	\$ 59,412
COVID activities – United Way	114,869	-
City of New Orleans (Office of Gun Violence Prevention)	577,530	249,260
2020 Gala Funders	143,000	-
Other- Programmatic Funders	<u>320,620</u>	<u>556,785</u>
Total	<u>\$ 1,207,955</u>	<u>\$ 865,457</u>

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS:

As of June 30, 2021 and 2020, net assets with donor restrictions consist of the following:

	<u>2021</u>	<u>2020</u>
City of New Orleans (Office of Gun Violence Prevention)	\$ 499,068	\$ 679,986
W.K. Kellogg	425,286	296,388
Greater New Orleans Foundation	121,600	-
Baptist Community Ministries	-	15,000
AARP	20,000	-
Walton Family Foundation, Inc.	723,327	-
Kresge Foundation	79,217	-
United Way of SELA	56,379	164,869
Richard West Freeman Foundation (Endowment Fund)	50,386	40,273
SBA	108,930	168,527
JP Morgan Chase	34,606	75,621
Humana	42,118	-
Google	89,007	-
OXFAM	45,000	-
EBR Microgrant Programs	60,189	-
EBR Treasury Program	243,239	-
NUL Programming	209,392	-
Gala Sponsors	40,000	143,000
	<u>\$ 2,847,744</u>	<u>\$ 1,583,664</u>
Total		

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects **the League's** financial assets as of the consolidated statements of financial position dates, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statements of financial position dates. Donor-restricted amounts that are available for use within one year for general purposes include cash and accounts receivable.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS, CONTINUED:

	2021	2020
Financial assets at year end	\$ 2,872,895	\$ 1,953,812
Less those unavailable for general expenses within one year due to donor-restriction for service projects	(2,847,697)	(1,583,664)
Financial assets available to meet cash needs for general purpose within one year	\$ 25,198	\$ 370,148

As part of the **League's** liquidity management, it has a policy to structure its consolidated financial assets to be available as its general expenses, liabilities, and other obligations come due. In the event of financial distress or an unanticipated liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities, **the League** also could also make a request of the Board to change the designation for either a portion or all of its restricted fund to meet the immediate liquidity need.

NOTE 12 - 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 consolidated financial statements include in-kind contributions in revenues and expenses. The breakdown of in-kind contributions recognized is as follows:

	2021	2020
Professional services	\$ -	\$ 85,822

NOTE 13 - 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.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 13 - GRANTS FROM GOVERNMENTAL AGENCIES, CONTINUED:

Revenues derived from the governmental agencies are subject to audit and adjustment by government auditors before any settlement amounts become final. Any adjustments made by governmental auditors are reported in the year of the audit. Management does not expect any material adjustments to allowable program costs and the related estimated settlement.

Federal grant activities at June 30, 2021 and 2020 are summarized as follows:

	2021	2020
Grant Receipts:		
Direct Awards	\$ 251,067	\$ 329,626
Pass-throughs	1,010,942	627,414
Total receipts	\$ 1,262,009	\$ 957,040
Grant Expenditures:		
Non-capital	1,262,009	957,040
Total expenditures	\$ 1,262,009	\$ 957,040

NOTE 14 - RISK MANAGEMENT:

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

NOTE 15 - PROMISES TO GIVE:

As of June 30, 2021 and 2020, promises to give represent support from private companies and individuals related to general operating expenses and other restricted purposes totaling \$ 56,635 and \$103,698, respectively. The amounts are deemed collectible and available from the following sources in less than one (1) year:

	2021	2020
Private companies and individuals	\$ -	\$ 51,762
United Way Services funding for the next fiscal year	56,635	51,936
Total	\$ 56,635	\$ 103,698

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 16 - DUE FROM FUNDING AGENCIES:

As of June 30, 2021 and 2020, due from funding agencies consisted of the following:

	2021	2020
National Urban League	\$ 334,393	\$ 66,182
Private Companies	146,067	188,862
State of Louisiana	94,669	67,232
Local Governmental Entities	66,269	4,687
National Institutes of Health	12,500	-
U.S. Small Business Administration	160,778	656
U.S. Department of Education	214,836	198,108
U.S. Department of Agriculture	4,718	-
Total due from funding agencies	\$ 1,034,230	\$ 525,727

Receivables from various funding agencies are stated at the amount management expects to collect from outstanding balances for grants awarded and/or services performed under various contracts during the 2021 and 2020 fiscal years. All amounts are considered collectible. **The League** does not assess finance charges on receivables due. There were no bad debts for the 2020 and 2019 fiscal years.

NOTE 17 - CONCENTRATION OF CREDIT RISK:

The League maintains cash balances at three (3) financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 on interest bearing accounts and non-interest bearing accounts. **The League** has cash balances on deposit with one (1) of the institutions at June 30, 2021 that exceeded the balances insured by the FDIC in the amounts of \$1,466,476.

The League also maintains an account with a stock brokerage firm. The account contains primarily money market funds. Balances are insured up to \$500,000 with a limit of \$100,000 for cash by the Securities Investor Protection Corporation.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 18 - SUBSEQUENT EVENTS:

The League is required to evaluate events or transactions that may occur after the consolidated statements of financial position date for potential recognition or disclosure in the consolidated financial statements. **The League** performed such an evaluation through February 22, 2022, the date which the consolidated financial statements were available to be issued. As a result of the spread of the Coronavirus (COVID-19) pandemic, economic uncertainties have arisen which are likely to negatively impact the funding of **the League**. Other financial impact could occur though such potential impact is unknown at this time.

NOTE 19 - BOARD COMPENSATION:

The Board of Directors of **the League** is a voluntary board; therefore, no compensation was paid to any board member during the years ended June 30, 2021 and 2020.

NOTE 20 - FAIR VALUE MEASUREMENTS:

In accordance with FASB ASC 820, fair value is defined as the price that **the League** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the asset or liability. FASB ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes.

Various inputs are used in determining the value of **the League's** assets or liabilities. The inputs are summarized in the three broad levels listed below.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 20 - FAIR VALUE MEASUREMENTS, CONTINUED:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **The League’s** assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The following table summarizes the valuation of **the League’s** investments measured at fair value by the FASB ASC 820 fair value hierarchy levels as of June 30 2021 and 2020.

		Fair Value Measuring Using: Quoted Prices in Active Markets for Identical (Level 2)
<u>2021</u>	<u>Fair Value</u>	
Endowment fund	<u>\$50,386</u>	<u>\$50,386</u>
		Fair Value Measuring Using: Quoted Prices in Active Markets for Identical (Level 2)
<u>2020</u>	<u>Fair Value</u>	
Endowment fund	<u>\$40,273</u>	<u>\$40,273</u>

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 21 - FINANCIAL INSTRUMENTS:

GAAP requires disclosure of an estimate of fair value of certain financial instruments. **The League's** significant financial instruments are cash and cash equivalents, short-term investment, endowment fund, revolving lines of credit and long term debt. For these financial instruments, carrying values approximate fair value.

The estimated fair values of **the League's** financial instruments as of June 30, 2021 and 2020 are as follows:

<u>June 30, 2021</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 1,778,502	\$ 1,778,502
Short-term investment	3,527	3,527
Endowment fund	50,386	50,386
Revolving lines of credit	24,817	24,415
Long-term debt	1,323,954	1,323,954
<u>June 30, 2020</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 1,322,790	\$ 1,322,790
Short-term investment	1,597	1,597
Endowment fund	40,273	40,273
Revolving lines of credit	375,398	375,398
Long-term debt	1,833,870	1,833,870

NOTE 22 - PAYCHECK PROTECTION PROGRAM:

The League obtained a U.S. Small Business Administration guaranteed loan under the Paycheck Protection Program (PPP) from a financial institution in the amount of \$377,655. The note covers the period from April 20, 2020 through April 28, 2022 with one (1) percent interest. The PPP is necessary to support the ongoing operations of **the League** during the COVID-19 pandemic. **The League's** payments on the note are deferred for a period of twenty-four (24) months from the date of the note; however, interest continues to accrue from the date of the note until the note is paid in full at the maturity date. The repayment begins after the deferment period. The note is subject to an expected forgivable portion. The amount of loan forgiveness shall not exceed the principal amount of the loan and is subject to SBA Rules and Regulations consistent with the PPP Rules. On January 12, 2021 **the League** received notice that the loan was fully forgiven by SBA including the insignificant accrued

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 22 - PAYCHECK PROTECTION PROGRAM, CONTINUED:

interest as of June 30, 2021. The forgivable amount was identified as an unconditional contribution in the consolidated statement of activities for the year ended June 30, 2021.

NOTE 23 - RECENT ACCOUNTING PRONOUNCEMENTS:

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 205): An Amendment of the FASB Accounting Standards Codification, which clarifies the principles for recognizing revenue from contracts with customers. The new accounting guidance, which does not apply to financial instruments, is effective on a retrospective basis for annual reporting periods beginning after December 15, 2017, with early adoption permitted only as of annual reporting periods beginning after December 15, 2017. **The League** does not expect the new guidance to have a material impact on **the League's** consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Income Statement – Extraordinary and Unusual Items*, which eliminates the concept of extraordinary items. Entities will no longer be required or permitted to present any items of gain or loss as extraordinary. The ASU also eliminates the need for intra-period tax allocation as these items are no longer presented separately below income from operations. This standard is effective for fiscal years, beginning after December 15, 2016. An early adoption is permitted and is not expected to have a significant impact on **the League's** consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, Recognition and Measurement of Financial Assets and Financial Liabilities. The ASU amendments include changes related to how certain equity investments are measured, how changes are recognized in the fair value of certain financial liabilities measured under the fair value option, and how financial assets and liabilities are disclosed on **the League's** consolidated financial statements.

Additionally, the ASU will also require entities to present financial assets and financial liabilities separately, grouped by measurement category and form of financial asset in the statement of financial condition or in the accompanying notes to the financial statements. Entities will also no longer have to disclose the methods and significant assumptions for financial instruments measured at amortized cost, but will be required to measure such instruments under the “exit

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 23 - RECENT ACCOUNTING PRONOUNCEMENTS, CONTINUED:

price” notion for disclosure purposes. The ASU is effective for annual periods beginning after December 15, 2018, with early adoption permitted only as of annual reporting periods beginning after December 15, 2017. **The League** does not expect the new guidance to have a material impact on **the League’s** consolidated financial statements.

In February 2017, the FASB issued ASU 2017-02, Conforming Amendments Related to Leases. This ASU amends the codification regarding leases in order to increase transparency and comparability. The ASU requires companies to recognize lease assets and liabilities on the statement of condition and disclose key information about leasing arrangements. A lessee would recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. The ASU is effective for annual periods beginning after December 15, 2019. **The League** does not expect the new guidance to have a material impact on **the League’s** consolidated financial statements.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-14 affecting ASC 958, *Not-for-Profit Entities*, which establishes standards for external financial reporting by not-for-profit organizations. The primary objective of this Update is to make certain improvements to the current reporting practices of not-for-profit entities. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017 and for interim periods within fiscal years beginning after December 15, 2018.

Subsequent to June 30, 2019, for all these recent accounting pronouncements, the FASB has decided to delay each effective date one (1) year due to the effects of COVID-19 pandemic.

SUPPLEMENTARY INFORMATION

URBAN LEAGUE OF LOUISIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	GRANT/ CONTRACT NUMBER	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
Passed-through State of Louisiana, Department of Education: Child and Adult Care Food Program	27-041	10.558	\$ <u>21,270</u>
Total U.S. Department of Agriculture			<u>21,270</u>
U.S. DEPARTMENT OF EDUCATION			
Passed-through State of Louisiana, Department of Education: Twenty-First Century Community Learning Centers	CFMS 677740	84.287	<u>92,048</u>
Total U.S. Department of Education			<u>92,048</u>
U.S. SMALL BUSINESS ADMINISTRATION			
Direct Award: Women's Business Ownership Assistance	SBAHQ-11-W0040	59.043	123,147
Economic Injury Disaster Loan Emergency Advance		59.072	<u>128,020</u>
Total U.S. Small Business Administration			<u>251,167</u>

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

URBAN LEAGUE OF LOUISIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	GRANT/ CONTRACT NUMBER	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed-through Total Community Action:			
Head Start - Early Head Start (Parent Child Center)	06CH0473	93.600	\$ <u>676,907</u>
Total U.S. Department of Health and Human Services			<u>676,907</u>
U.S. Department of Housing & Urban Development			
Passed through City of Baton Rouge – Parish			
Baton Rouge Office of Community Development:			
Community Development Block Grants/Entitlement			
Grants - Coronavirus Aid Relief, and Economic			
Security Act (CARES) Act		14.218	<u>88,311</u>
Total U.S. Department of Housing & Urban Development			<u>88,311</u>

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

URBAN LEAGUE OF LOUISIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	GRANT/ CONTRACT NUMBER	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
U.S. Department of Labor Passed through National Urban League: Reentry Employment Opportunities - Youth Adult Re- Entry Program (YARP)		17.27	\$ <u>132,306</u>
Total U.S. Department of Housing & Urban Development			<u>132,306</u>
Total Expenditures of Federal Awards			\$ <u>1,262,009</u>

The above schedule of expenditures of federal awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, "Audit of States, Local Governments and Non-Profit Organizations." Therefore, some amounts presented in the schedule may differ from accounts presented in or used in the preparation of the basic consolidated financial statements.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2021

	SUPPORT SERVICES					PROGRAM SERVICES		
	<u>Agency Total</u>	<u>UEDC</u>	<u>Total Support Services</u>	<u>Management and General</u>	<u>Resource Development</u>	<u>Total Program Services</u>	<u>Economic Development</u>	<u>Education and Social Justice</u>
REVENUES								
Federal grants	\$ 1,262,009	\$ -	\$ -	\$ -	\$ -	\$ 1,262,009	\$ 471,785	\$ 790,224
State, local and other grants	1,477,965	-	100,000	100,000	-	1,377,965	1,262,878	115,087
Board generated self-support	366,200	-	301,200	-	301,200	65,000	-	65,000
Client generated self-support	3,635,446	-	67,921	34,365	33,556	3,567,525	1,120,886	2,446,639
Interest income	545	-	545	545	-	-	-	-
Realized gain on investment	1,201	-	1,201	1,201	-	-	-	-
Unconditional contribution	380,199	-	380,199	380,199	-	-	-	-
Other revenue	<u>233,208</u>	<u>171,133</u>	<u>54,843</u>	<u>54,843</u>	<u>-</u>	<u>7,232</u>	<u>7,232</u>	<u>-</u>
Total self-generated revenue	<u>7,356,773</u>	<u>171,133</u>	<u>905,909</u>	<u>571,153</u>	<u>334,756</u>	<u>6,279,731</u>	<u>2,862,781</u>	<u>3,416,950</u>
United Way funding for next year	<u>56,379</u>	<u>-</u>	<u>6,379</u>	<u>5,000</u>	<u>1,379</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Grand total revenue	<u>7,413,152</u>	<u>171,133</u>	<u>912,288</u>	<u>576,153</u>	<u>336,135</u>	<u>6,329,731</u>	<u>2,862,781</u>	<u>3,466,950</u>

See Independent Auditors' Report on Supplementary Information.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021

	SUPPORT SERVICES					PROGRAM SERVICES		
	Agency Total	UEDC	Total Support Services	Management and General	Resource Development	Total Program Services	Economic Development	Education and Social Justice
EXPENSES								
Compensation expenses	\$ 3,352,763	\$ -	759,830	\$ 759,830	\$ -	\$ 2,592,933	\$ 1,304,088	\$ 1,288,845
Occupancy expenses	487,477	-	226,354	225,769	585	261,123	129,677	131,446
Professional fees and contracts	577,651	-	75,173	74,799	374	502,478	375,780	126,698
Food	12,227	-	2,259	2,259	-	9,968	-	9,968
Travel and transportation	26,248	-	21,991	21,991	-	4,257	3,571	686
Special Event expenses	101,007	-	76,160	1,106	75,054	24,847	24,847	-
Supplies	97,341	-	47,016	46,655	361	50,325	27,920	22,405
Equipment rental	37,924	-	11,471	11,471	-	26,453	13,539	12,914
Printing and copying	33,285	-	7,782	5,693	2,089	25,503	569	24,934
Other direct program expenses	645,109	-	71,560	71,210	350	573,549	368,410	205,139
Bad debt	42,375	-	11,018	7,134	3,884	31,357	31,357	-
Interest and loan amortization	82,605	61,790	20,815	20,815	-	-	-	-
Total expenses before depreciation	5,496,012	61,790	1,331,429	1,248,732	82,697	4,102,793	2,279,758	1,823,035
Net Difference	\$ 1,917,140	\$ 109,343	\$ (419,141)	\$ (672,579)	\$ 253,438	\$ 2,226,938	\$ 583,023	\$ 1,643,915
Depreciation	\$ 283,052	\$ 276,182	\$ 6,870	\$ 6,870	\$ -	\$ -	\$ -	\$ -
				Total Direct Expenses		\$ 4,102,793	\$ 2,279,758	\$ 1,823,035
				Percent of Total Program Expenses		100%	56%	44%
				Distribution of Support Services Expenses		1,331,429	745,600	585,829
				Grand Total Program Expenses		\$ 5,434,222	\$ 3,025,358	\$ 2,408,864

See Independent Auditors' Report on Supplementary Information.

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2021**

Chief Executive Officer Name: Mrs. Judy Reese Morse

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 165,000
Benefits – insurance	1,192
Benefits – retirement	4,500
Car allowance	2,100
Travel – local	2,978
Registration fees and conference travel	-
Special meals – meetings	-
Total	<u>\$ 175,770</u>

SCHEDULE IV

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
SCHEDULE OF CONSOLIDATED FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>SUPPORT SERVICES</u>				<u>PROGRAM SERVICES</u>		
	<u>Agency Total</u>	<u>Total Support Services</u>	<u>Management and General</u>	<u>Resource Development</u>	<u>Total Program Services</u>	<u>Economic Development</u>	<u>Education and Social Justice</u>
<u>EXPENSES</u>							
Compensation expenses	\$ 3,352,763	\$ 759,830	\$ 759,830	\$ -	\$ 2,592,933	\$ 1,304,088	\$ 1,288,845
Occupancy expenses	487,477	226,354	225,769	585	261,123	129,677	131,446
Professional fees and contracts	577,651	75,173	74,799	374	502,478	375,780	126,698
Food	12,227	2,259	2,259	-	9,968	-	9,968
Travel and transportation	26,248	21,991	21,991	-	4,257	3,571	686
Special event expenses	101,007	76,160	1,106	75,054	24,847	24,847	-
Supplies	97,341	47,016	46,655	361	50,325	27,920	22,405
Equipment rental	37,924	11,471	11,471	-	26,453	13,539	12,914
Printing and copying	33,285	7,782	5,693	2,089	25,503	569	24,934
Other direct program expenses	645,109	71,560	71,210	350	573,549	368,410	205,139
Bad debt	42,375	11,018	7,134	3,884	31,357	31,357	-
Interest and loan amortization	82,605	82,605	82,605	-	-	-	-
Depreciation	283,052	283,052	283,052	-	-	-	-
Total Expenses	<u>\$ 5,779,064</u>	<u>\$ 1,676,271</u>	<u>\$ 1,593,574</u>	<u>\$ 82,697</u>	<u>\$ 4,102,793</u>	<u>\$ 2,279,758</u>	<u>\$ 1,823,035</u>

See the Independent Auditors' Report on Supplementary Information.



Member
American Institute of
Certified Public Accountants
Society of Louisiana
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Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

(Retired)
Michael B. Bruno, CPA (2011)

INDEPENDENT AUDITORS' 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 Louisiana, Inc. and Subsidiary
New Orleans, Louisiana

We 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 consolidated financial statements of the **Urban League of Louisiana, Inc. and Subsidiary (the League)** (a nonprofit corporation), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 22, 2022.

Internal Control Over Financial Reporting

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

INDEPENDENT AUDITORS' 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*
CONTINUED

Internal Control Over Financial Reporting, Continued

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we 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 **the League** combined financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITORS' 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
CONTINUED

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **the League's** internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **the League's** internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS,
New Orleans, Louisiana

February 22, 2022



Member
American Institute of
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Board of Directors
Urban League of Louisiana, Inc. and Subsidiary
New Orleans, Louisiana

Report on Compliance for Each Major Program

We have audited the **Urban League of Louisiana, Inc.'s and Subsidiary (the League'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 **the League's** major federal programs for the year ended June 30, 2021. **The League's** major federal programs are identified in the summary of auditors' results section of the accompanying summary schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **the League's** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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 of America; 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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
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COMPLIANCE REQUIRED BY UNIFORM GUIDANCE
CONTINUED

Auditors' Responsibility, Continued

Guidance 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 occurred. An audit includes examining, on a test basis, evidence about **the League'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 on compliance for each major program. However, our audit does not provide a legal determination of **the League's** compliance.

Opinion on Each Major Federal Program

In our opinion, **the League** 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, 2021.

Report on Internal Control Over Compliance

Management of **the League** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered **the League'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, we do not express an opinion on the effectiveness of **the League's** internal control over compliance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE
CONTINUED

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.

Our 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. We did not identify any deficiencies in internal control over compliance that we 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 our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

February 22, 2022

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section I - Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified?
- Significant deficiencies identified that are not considered to be material weakness(es)?

_____ yes X no

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Management letter comments

_____ yes X no

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified?
- Significant deficiencies identified that are not considered to be material weaknesses?

_____ yes X no

_____ yes X none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021

Section I - Summary of Independent Auditors' Results, Continued

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR Section
200.516(a)

___ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.600	Early Head Start (Parent Child Center)
14.218	Community Development Block Grants/Entitlement Grants
17.270	Reentry Employment Opportunities

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

\$ 750,000

Auditee qualified as low-risk auditee:

X yes ___ no

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021

Section II - Financial Statement Findings

There were no significant deficiencies, material weaknesses and no instances of non-compliance that were require to be reported in accordance with *Government Auditing Standards*.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021

Section III - Federal Awards Findings and Questioned Costs

There were no significant deficiencies, material weaknesses and no instances of non-compliance that were required to be reported in accordance with 2 CFR Section 200.516(a) of Uniform Guidance.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
STATUS OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

There were no findings reported in the prior year.

Status of Prior Year's Comments to Management

None reported in prior year

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY
EXIT CONFERENCE**

The audit report was discussed during the course of the audit and at an exit conference held with **the League**. The individuals who participated in those discussions were as follows:

URBAN LEAGUE OF LOUISIANA INC. AND SUBSIDIARY

Mr. Victor G. Robinson, CPA
Mrs. Judy Reese Morse
Ms. Shawne B. Favre, CPA

Chairman of Audit Committee
President and Chief Executive Officer
Vice President of Finance and Operations

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Joseph A. Akanji, CPA
Mrs. Theodora Rowan, CPA
Mr. JohnPaul Ogbuokiri, CPA

Engagement Partner
Engagement Senior
Engagement Senior