

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

**CONSOLIDATED FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of **Urban League of Louisiana, Inc. and Subsidiary** (the **League**), (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of **Urban League of Louisiana, Inc. and Subsidiary** as of June 30, 2023 and the consolidated results of operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the **League** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the **League's** ability to continue as a going concern within one (1) year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one (1) resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 **League's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **League's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Supplementary Information

Our 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 (CFR) 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. Also, the accompanying Schedule of Revenues and Expenses by Program and the accompanying Schedule of Compensation, Benefits

and Other Payments to the Chief Executive Officer are presented for purposes of additional analysis and are 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 States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Report on Summarized Comparative Information

We have previously audited **Urban League of Louisiana, Inc. and Subsidiary's** 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023 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

New Orleans, Louisiana
December 22, 2023

Basic Financial Statements

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

STATEMENT OF NET POSITION

For the Year Ended June 30,

ASSETS		
	2023	2022
Current assets:		
Cash and cash equivalents	\$ 6,009,231	\$ 1,749,717
Due from funding agencies	1,003,514	1,031,878
Prepaid expenses and other assets	64,055	57,297
Promises to give	-	9,000
Short-term investments	3,536	3,530
Total current assets	7,080,336	2,851,422
 Property Plant & Equipment:		
Land, building and equipment, net	6,213,801	6,476,038
Right of Use Asset	88,826	113,644
Total property plant & equipment	6,302,627	6,589,682
 Other Assets:		
Endowment fund	49,475	45,964
Total assets	\$ 13,432,438	\$ 9,487,068
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 570,364	\$ 395,181
Revolving lines of credit	17,601	16,317
Deferred Revenue	70,995	-
Current portion of long-term debt	68,275	86,936
Total current liabilities	727,235	498,434
 Long-term liabilities		
Long-term debt, net	1,040,066	1,108,295
Lease Obligations	88,826	113,644
Total long-term liabilities	1,128,892	1,221,939
Total liabilities	1,856,127	1,720,373
 Net assets:		
Without donor restrictions	10,614,299	4,770,797
With donor restrictions	962,012	2,995,898
Total net assets	11,576,311	7,766,695
Total net assets	11,576,311	7,766,695
Total liabilities and net assets	\$ 13,432,438	\$ 9,487,068

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

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

STATEMENT OF ACTIVITIES
For the Year Ended

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND PUBLIC SUPPORT			
Revenues and public support:			
Federal grants	\$ 1,584,303	\$ -	\$ 1,584,303
State and local grants	44,735	-	44,735
Board-generated self support	770,145	-	770,145
Client-generated self support	7,624,731	830,000	8,454,731
Interest income	47,436	-	47,436
Other revenue	84,319	-	84,319
Net assets released from restrictions:			
Satisfaction of purpose and time restrictions	<u>2,867,397</u>	<u>(2,867,397)</u>	<u>-</u>
Total revenues and public support	<u>13,023,066</u>	<u>(2,037,397)</u>	<u>10,985,669</u>
EXPENSES			
Program services:			
Economic development	2,634,300	-	2,634,300
Education and social justice	<u>2,205,063</u>	<u>-</u>	<u>2,205,063</u>
Total program services	<u>4,839,363</u>	<u>-</u>	<u>4,839,363</u>
Support services:			
Management and general	2,271,494	-	2,271,494
Resource development	<u>71,563</u>	<u>-</u>	<u>71,563</u>
Total support services	<u>2,343,057</u>	<u>-</u>	<u>2,343,057</u>
Total expenses	<u>7,182,420</u>	<u>-</u>	<u>7,182,420</u>
Realized gain on investments	<u>2,856</u>	<u>3,511</u>	<u>6,367</u>
Changes in net assets	5,843,502	(2,033,886)	3,809,616
Net assets, beginning of year	<u>4,770,797</u>	<u>2,995,898</u>	<u>7,766,695</u>
Net assets, end of year	<u>\$ 10,614,299</u>	<u>\$ 962,012</u>	<u>\$ 11,576,311</u>

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

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

STATEMENT OF ACTIVITIES
For the Year Ended

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND PUBLIC SUPPORT			
Revenues and public support:			
Federal grants	\$ 1,366,662	\$ -	\$ 1,366,662
State and local grants	11,120	568,000	579,120
Board-generated self support	372,100	41,000	413,100
Client-generated self support	1,440,214	1,870,817	3,311,031
In-kind	200	-	200
Interest income	335	-	335
Other revenue	306,088	-	306,088
Net assets released from restrictions:			
Satisfaction of purpose and time restrictions	2,327,241	(2,327,241)	-
Total revenues and public support	5,823,960	152,576	5,976,536
EXPENSES			
Program services:			
Economic development	2,601,352	-	2,601,352
Education and social justice	2,168,249	-	2,168,249
Total program services	4,769,601	-	4,769,601
Support services:			
Management and general	1,453,937	-	1,453,937
Resource development	86,437	-	86,437
Total support services	1,540,374	-	1,540,374
Total expenses	6,309,975	-	6,309,975
Realized gain (loss) on investments	-	(4,422)	(4,422)
Changes in net assets	(486,015)	148,154	(337,861)
Net assets, beginning of year	5,256,812	2,847,744	8,104,556
Net assets, end of year	\$ 4,770,797	\$ 2,995,898	\$ 7,766,695

See Independent Auditors' Report on Summarizd Comparative Information

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

SCHEDULE OF FUNCTIONAL EXPENSES

For the Years Ended June 30,

	2023			2022		
	Agency Total	Total Support Services	Total Program Services	Agency Total	Total Support Services	Total Program Services
<u>EXPENSES</u>						
Compensation expenses	\$ 3,527,744	\$ 700,159	\$ 2,827,585	\$3,404,051	\$ 696,882	\$ 2,707,169
Occupancy expenses	359,960	169,746	190,214	336,144	136,673	199,471
Professional fees and contracts	1,158,534	230,587	927,947	877,224	60,174	817,050
Food	63,587	768	62,819	20,827	240	20,587
Travel and transportation	85,526	25,623	59,903	38,484	20,464	18,020
Supplies	101,119	14,301	86,818	246,092	20,151	225,941
Equipment rental	41,367	20,387	20,980	34,572	7,902	26,670
Printing and copying	21,128	17,236	3,892	11,116	547	10,569
Other direct program expenses	1,057,773	561,150	496,623	891,687	191,678	700,009
Bad Debt	217,317	79,235	138,082	-	-	-
Gala/Special events	182,660	158,160	24,500	102,876	58,761	44,115
Interest and Loan Amortization	78,420	78,420	-	60,505	60,505	-
Depreciation	287,285	287,285	-	286,397	286,397	-
Total expenses	<u>\$ 7,182,420</u>	<u>\$ 2,343,057</u>	<u>\$ 4,839,363</u>	<u>\$ 6,309,975</u>	<u>\$ 1,540,374</u>	<u>\$ 4,769,601</u>

See the Independent Auditors' Report on Supplementary Information.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

STATEMENT OF CASH FLOWS

For the Year Ended June 30,

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 3,809,616	\$ (337,861)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	287,285	294,239
(Gain) loss on sale of assets	(3,517)	4,419
Other noncash items	24,818	(113,644)
Changes in assets and liabilities:		
Accounts receivable	28,364	2,352
Prepaid expenses	(6,768)	(17,354)
Unconditional promises to give	9,000	47,635
Accounts payable	147,896	132,632
Deferred Revenue	70,995	-
Accrued liabilities	<u>27,373</u>	<u>24,844</u>
Net cash provided by operating activities	<u>4,395,062</u>	<u>37,262</u>
Cash Flows from Investing Activities:		
Purchase of building improvements	<u>(25,048)</u>	<u>(42,468)</u>
Net cash (used in) provided by investing activities	<u>(25,048)</u>	<u>(42,468)</u>
Cash Flows from Financing Activities:		
Proceeds from debt borrowings	1,284	42,291
Principal payments on long-term debt	<u>(111,754)</u>	<u>(65,870)</u>
Net cash (used in) financing activities	<u>(110,470)</u>	<u>(23,579)</u>
Net (decrease) increase in cash and cash equivalents	<u>4,259,544</u>	<u>(28,785)</u>
Cash and cash equivalents - beginning of year	<u>1,749,717</u>	<u>1,778,502</u>
Cash and cash equivalents - end of year	<u>\$ 6,009,261</u>	<u>\$ 1,749,717</u>
Supplemental Disclosures:		
Interest paid	<u>78,420</u>	<u>60,505</u>
Noncash items:		
Operating lease right to use	24,818	113,644
Operating lease obligation	<u>\$ (24,818)</u>	<u>\$ (113,644)</u>

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

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

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.

Principles 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.

Basic of Presentation

The League and its subsidiary 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 FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

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 requires management of the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. 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 2020, 2021 and 2022 tax years are open for examination by the IRS.

Allowance for Bad Debt

The League uses the allowance method to provide for uncollectible accounts. At June 30, 2023 and 2022, there were no allowances, respectively. Uncollectible accounts have been historically insignificant.

Land, Building and Equipment

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

The League follows the practice of capitalizing at cost, all property and equipment acquisitions with a unit cost of \$5,000 and over. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives. The League depreciates property and equipment over a five (5) to ten (10) year period.

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

Donations of property and equipment are recorded as contributions at their fair value at date of donation. Such donations are reported as without donor restriction contribution unless restricted by donor.

Property and equipment acquired under grants vest subject to use, management and disposition requirements.

Capital leases and related liabilities are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset.

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 inter-organizational transactions and balances have been eliminated in consolidation.

Use of Restricted Resources

It is the practice of the League to use restricted resources based on donor restrictions and consistent with its mission. See page 9 and 10 for additional discussion with regards to presentation of donor and/or without donor restrictions.

Functional Allocation of Expenses

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among instructional and supporting services in the accompanying statement of functional expenses.

The expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries and related benefits	Time and effort
Occupancy	Square footage
Professional fees	Full time equivalent
Depreciation	Square footage
Other	Time and effort

Statement of Cash Flows

For purposes of the statement of cash flows, the League considers all investments with original maturities of three months or less to be cash equivalents. At June 30, 2023, the League had no cash equivalents.

Financial Statement Presentation

Under Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) Section 958-605, *Not-For-Profit Entities, Revenue Recognition, the League* must recognize contributions received as revenue, including unconditional promises to give, in the period received at their fair value. At the same time, contributions made, including unconditional promises to give, must be recognized as expenses in the period made at their fair value.

Presentation of Financial Statements

The League's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit Guide for Not-for-Profit Organizations" (the Guide) update No. 2016-14. ASC 958-205 was effective January 1, 2018. Under provisions of the Guide net assets of RSL are classified to present the following based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of the League are classified as follows:

- Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the League's. The League's board may designate assets without restrictions for specific operational purposes

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

- from time to time. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the League or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.
- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the League's ongoing activities. Non-operating activities are limited to resources that generate return from investments, financing costs, and other activities considered to be a more unusual or nonrecurring nature.

Fair Value of Financial Instruments

The estimated fair value of all significant financial statement amounts have been determined by the League using available market information and appropriate valuation methodologies.

The League considers the carrying amounts of cash, other and grants receivables, prepaid items, and amounts and other payables to be at fair market.

Budgetary Data

The League formally adopts a budget. The budgetary data are submitted to the State of Louisiana for approval.

Inter program Activities

All inter program transactions, except quasi external transactions, advances and reimbursements are reported as transfers. Nonrecurring and permanent transfers of equity are reported as residual equity transfers. All other inter program transfers are reported as operating transfers and recognized at the time the underlying event occurs. Inter program activities are netted at the combined financial statements level.

Total Memorandum Only

The total column on the accompanying combining financial statements is captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) Standards Update - 2016-02, *Leases* (ASU 2016-02). ASU 2016-02

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease terms, and a lease liability for the payments to be made to lessor, on its balance sheet for all operating leases greater than twelve (12) months. The requirements of this statement have been postponed for reporting periods beginning after December 15, 2021. The League has not assessed the potential impact of this guidance on its financial statements.

New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance in *Topic 840, Leases*. The FASB subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope*.

Improvements for Lessors; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2020-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-to-use (ROU) assets and lease liabilities on the statement of financial position for operating leases.

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.

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URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

Note 3 – Land, Building and Equipment

As of June 30, 2023 and 2022, the League held the following fixed assets:

	2023	2022
Non-depreciable assets:		
Land (contributed)	<u>\$1,105,500</u>	<u>\$ 1,105,500</u>
Total non-depreciable assets	1,105,500	1,105,500
Depreciable assets:		
Building and building improvements/funds	7,761,009	7,735,961
Furniture and equipment	<u>311,689</u>	<u>311,689</u>
Total depreciable assets	8,072,698	8,047,650
Less: accumulated depreciation	<u>2,964,397</u>	<u>2,677,112</u>
Total depreciable assets, net	<u>5,108,301</u>	<u>5,370,538</u>
Totals	<u><u>\$6,213,801</u></u>	<u><u>\$ 6,476,038</u></u>

Depreciation expense for the years ended June 30, 2023 and 2022 amounted to \$287,285 and \$286,397, respectively.

At June 30, 2023 and 2022, 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 \$1,897,056 and \$2,005,328, 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.

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URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

Note 4 – Long Term Debt

A Summary of long-term debts as of June 30, 2023 and 2022, as is following:

	2023	2022
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 seven (7) year amortization with a balloon payment due at maturity	\$1,108,341	\$ 1,195,231
Total long-term debt	1,108,341	1,195,231
Less: Current maturities	(68,275)	(86,936)
Total Long-term debt, net	\$1,040,066	\$ 1,108,295

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

Year Ending June 30,	Amount
2024	\$ 1,040,066
	\$ 1,040,066

Note 5 – Revolving Lines of Credit

At June 30, 2023 and 2022, the League has two revolving lines of credit (12.000% and 13.125%) payable to two financial institutions on demand with an aggregate unpaid balance of \$17,601 and \$16,317, respectively. The lines of credit are secured by real estate. The maximum credit/capacity is available when the LOC balance is zero.

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, 2023 and 2022 were \$57,592 and \$60,064, respectively.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
June 30, 2023

Note 7 – Operating Lease Right of Use

The League leases office space and equipment under non-cancelable operating lease which expires December 31, 2025. Payments during the renewal option period were excluded since operating leases renewal options do not create a significant economic incentive for the League to extent the lease term.

Maturities of lease liabilities as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 43,669
2025	36,627
2026	8,045
2027	<u>485</u>
Total minimum future rental payments	<u>\$ 88,826</u>

Note 8 – Net Assets Released Restrictions

Net assets were released from donor restrictions during the years ended June 30, 2023 and 2022 by incurring expenses satisfying the purpose and time restrictions as follows:

	<u>2023</u>	<u>2022</u>
Educational activities - general - United Way City of New Orleans (Office of Gun Violence Prevention)	\$ 18,779	\$ 37,600
2022 Gala funders	416,666	650,402
Other - Programmatic funders	4,100	40,000
	<u>2,390,952</u>	<u>1,599,239</u>
Totals	<u>\$2,867,397</u>	<u>\$ 2,327,241</u>

Note 9 – Contingencies and Commitments

There was an issue about repayment back due to incorrect rate used by Urban League of Louisiana, Inc. on loan. This was discovered subsequent to year end June 30, 2023.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

Note 10- Net Assets with Donor Restrictions

As of June 30, 2023 and 2022, net assets with donor restrictions consist of the following:

	2023	2022
City of New Orleans (Office of Gun Violence Prevention)	\$ -	\$ 416,667
W.K. Kellogg	-	338,451
Greater New Orleans Foundation	-	137,680
Baptist Community Ministries	-	57,978
AARP	-	-
Walkton Family Foundation, Inc.	397,179	700,886
Kresge Foundation	96,501	92,766
United Way of SELA	-	18,779
Richard West Freeman Foundation (Endowment Fund)	49,475	45,964
SBA	-	-
JP Morgan Chase	-	-
Humana	-	27,357
Google	-	70,432
OXFAM	-	-
EBR Micigrant Programs	-	-
EBR Treasury Program	-	-
NUL Programming	-	87,089
Shell Disaster Relief	-	69,121
JP Morgan -Econ,omic & Comm Devel	-	16,431
Wells Fargo	198,604	476,117
Markle Foundation	-	73,400
Community Foundation for GT At-Vote Your Voice	-	31,849
W.K. Kellogg-Racial Equity	220,253	125,639
Wilson Foundation	-	18,292
Entergy Grant	-	150,000
Gala Sponsors	-	41,000
	\$ 962,012	\$ 2,995,898

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

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.

	<u>2023</u>	<u>2022</u>
Financial assets at year end	\$7,080,336	\$ 3,011,030
Less those unavailable for general expenses within one year due to donor-restriction for service projects	<u>(962,012)</u>	<u>(2,995,898)</u>
Financial assets available to meet cash needs for general purpose within one year	<u>\$6,118,324</u>	<u>\$ 15,132</u>

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 – 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 contributions from private donors in the form of cash or in-kind contributions and certain other contributions. The accompanying consolidated financial statements include cash contributions from private donors that satisfy these requirements.

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.

Revenues derived from the governmental agencies are subject to audit and adjustment by government auditors before any settlement amounts become final.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

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, 2023 and 2022 are summarized as follow:

	<u>2023</u>	<u>2022</u>
Grant receipts:		
Direct awards	\$ 156,250	\$ 203,072
Pass-throughs	<u>1,499,047</u>	<u>1,163,590</u>
Total receipts	<u>\$1,655,297</u>	<u>\$ 1,366,662</u>
 Grant expenditures:		
Non-capital	<u>\$1,655,297</u>	<u>\$ 1,366,662</u>
Total expenditures	<u>\$1,655,297</u>	<u>\$ 1,366,662</u>

Management believes all receivables to be collectible and therefore, no allowance for doubtful accounts is recorded.

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 - Promised to Give

As of June 30, 2023 and 2022, promises to give represent support from private companies and individuals related to general operating expenses and other restricted purposes totaling \$0 and 9,000, respectively. The amounts are deemed collectible and available from the following sources in less than one (1) year:

	<u>2023</u>	<u>2022</u>
Private companies and individuals	\$ 9,000	\$ -
United Way Services funding for the next fiscal year	<u>-</u>	<u>-</u>
Total	<u>\$ 9,000</u>	<u>\$ -</u>

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
June 30, 2023

Note 16 – Due from Funding Agencies

As of June 30, 2023 and 2022, due from funding agencies consisted of the Following:

	2023	2022
National Urban League	\$ 301,622	\$ 327,074
Private companies	-	134,889
State of Louisiana	160,400	109,316
Local Governmental entities	43,609	60,079
U. S. Small Business Administration	293,036	136,786
U. S. Department of Education	204,847	263,734
	\$1,003,514	\$ 1,031,878

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 2023 and 2022 fiscal years. All amounts are considered collectible. The League does not assess finance charges on receivables due. Accounts receivable in the amount of \$217,317 were written-off in 2023 with no write-offs for bad debts in 2022.

Note 17 – Deferred revenue

As of June 30, 2023 and 2022, deferred revenue consisted of the following:

	2023	2022
Program liability (CNPP, pass through)	\$ 40,731	\$ -
Program advances	30,264	-
Total	\$ 70,995	\$ -

Note 18 – 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, 2023 that exceeded the balances insured by the FDIC in the amounts of \$5,712,428.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

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.

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, 2023.

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:

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.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

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, 2023 and 2022.

		Fair Value Measuring Using: Quoted Prices in Active Markets for Identical <u>(Level 2)</u>
<u>2023</u>	<u>Fair Value</u>	
Endowment fund	\$ 49,475	<u>\$49,475</u>
		Fair Value Measuring Using: Quoted Prices in Active Markets for Identical <u>(Level 2)</u>
<u>2022</u>	<u>Fair Value</u>	
Endowment fund	\$ 45,964	<u>\$45,964</u>

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URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

June 30, 2023

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, 2023 and 2022 are as follows:

	Carrying Amount	Fair Value
<u>June 30 2023</u>		
Cash and cash equivalents	\$6,009,231	\$ 6,009,231
Short-term investment	3,536	3,536
Endowment fund	49,375	49,375
Revolving lines of credit	17,601	17,601
Long-term debt	1,040,066	1,040,066
<u>June 30 2022</u>		
Cash and cash equivalents	\$1,749,717	\$ 1,749,717
Short-term investment	3,530	3,530
Endowment fund	49,964	49,964
Revolving lines of credit	16,317	16,317
Long-term debt	1,108,295	1,108,295

Note 22 -Subsequent Events

The League is required to evaluate events or transactions that may occur after the Statement of Financial Position date for potential recognition and/or disclosure in the accompanying financial statements. The League performed such an evaluation through December 22, 2023, the date on which the accompanying financial statements were available to be issued, and noted no subsequent events or transactions that occurred requiring recognition and/or disclosure.

Supplementary Information

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

<u>Federal Grantor/Program Name</u>	<u>Federal CFDA or Other Number</u>	<u>Activity</u>
<u>U.S. Department of Agriculture</u>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<i><u>Child Nutrition Cluster</u></i>		
<i><u>Passed-Through: LA State Department of Education</u></i>		
Child and Adult Care Food Program	10.558	\$ 40,764
<u>U.S. Department of Labor</u>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<i><u>Passed through National Urban League</u></i>		
Re-Entry Employment Opportunities (YARP)	17.270	252,107
<i><u>Awards from a Pass-Through Entity</u></i>		
<i><u>Passed through National Urban League</u></i>		
Re-Entry Employment Opportunities (Pathway Home)	17.270	66,696
<i><u>Awards from a Pass-Through Entity</u></i>		
<i><u>Passed through National Urban League</u></i>		
Apprenticeship USA Grants (Apprenticeship Build America)	17.285	45,475
<i><u>Awards from a Pass-Through Entity</u></i>		
<i><u>Passed through National Urban League</u></i>		
WIOA Pilots, Demonstartions, and Research Projects (Urban Youth Pathway)	17.261	74,839
Total U.S. Department of Labor		439,117
<u>U.S. Small Business Administration</u>		
Direct Award		
Womes Business Ownership Program CORE	59.043	156,250
<i><u>Passed-Through: National Urban League</u></i>		
SBA Community Pilot Program	59.077	152,740
Total U.S. Small Business Administration		308,990
<u>U.S. Department of Education</u>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<i><u>Passed-Through: LA State Department of Education</u></i>		
21st Century	84.287c	248,110
<u>U.S. Department of Health and Human Services</u>		
<i><u>Passed through Total Community Action</u></i>		
Head Start (Parent Child Center)	93.600	588,052
Total		\$ 1,625,033

The accompnaying notes are an integral part of the SEFA.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year ending June 30, 2023

Note 1 – Basis of Presentation

The accompanying of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Urban League of Louisiana, Inc. under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements for *Title 2 of U.S. Federal Regulations Part 200, Uniform Requirements, Cost Principles, and Requirements for Federal Awards (Uniform Guidance)*. The amounts presented in or used in the preparation of the financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3 – Indirect Cost Rule

Urban League of Louisiana, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2023

	SUPPORT SERVICES				PROGRAM SERVICES			
	Agency Total	UEDC	Total Support Services	Management and General	Resource Development	Total Program Services	Economic Development	Education and Social Justice
REVENUES								
Federal grants	\$1,584,303	\$ -	\$ -	\$ -	\$ -	\$ 1,584,303	\$ 707,377	\$ 876,926
State, local and other grants	44,734	-	-	-	-	44,734	37,811	6,923
Board generated self-support	770,145	-	757,145	295,000	462,145	13,000	-	13,000
Client generated self-support	8,318,966	-	5,985,648	5,883,816	101,832	2,333,318	1,241,243	1,092,075
Interest Income	47,436	-	47,436	47,436	-	-	-	-
Realized gain on investment	6,367	-	6,367	6,367	-	-	-	-
Other revenue	<u>220,085</u>	<u>135,765</u>	<u>85,523</u>	<u>85,071</u>	<u>452</u>	<u>(1,203)</u>	<u>(1,160)</u>	<u>(43)</u>
 Total self-generated revenue	<u>10,992,036</u>	<u>135,765</u>	<u>6,882,119</u>	<u>6,317,690</u>	<u>564,429</u>	<u>3,974,152</u>	<u>1,985,271</u>	<u>1,988,881</u>
 Grand total revenue	<u>10,992,036</u>	<u>135,765</u>	<u>6,882,119</u>	<u>6,317,690</u>	<u>564,429</u>	<u>3,974,152</u>	<u>1,985,271</u>	<u>1,988,881</u>

See the 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, 2023**

	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	\$ 3,527,744	\$ -	\$ 700,159	\$ 700,159	\$ -	\$ 2,827,585	\$ 1,347,059	\$ 1,480,526
Occupancy expenses	359,960	-	169,746	169,746	-	190,214	75,079	115,135
Professional fees and contracts	1,158,534	-	230,587	159,833	70,754	927,947	636,519	291,428
Food	63,588	-	768	768	-	62,820	16,711	46,109
Travel and transportation	85,526	-	25,623	25,623	-	59,903	27,519	32,384
Special event expenses	102,267	-	77,767	77,767	-	24,500	22,500	2,000
Gala expenses	80,393	-	80,393	-	80,393	-	-	-
Supplies	101,119	-	14,301	14,301	-	86,818	61,623	25,195
Equipment rental	41,366	-	20,387	20,387	-	20,979	7,335	13,644
Printing and copying	21,128	-	17,236	13,851	3,385	3,892	658	3,234
In-kind costs	-	-	-	-	-	-	-	-
Other direct program expenses	1,057,773	-	561,150	546,161	14,989	496,623	301,215	195,408
Bad debt expense	217,317	-	79,235	79,235	-	138,082	138,082	-
Interest and Loan Amortization	78,420	75,110	3,310	3,310	-	-	-	-
Total expenses before depreciation	<u>6,895,135</u>	<u>75,110</u>	<u>1,980,662</u>	<u>1,811,141</u>	<u>169,521</u>	<u>4,839,363</u>	<u>2,634,300</u>	<u>2,205,063</u>
Net Difference	\$ <u>4,096,901</u>	\$ <u>60,655</u>	\$ <u>4,901,457</u>	\$ <u>4,506,549</u>	\$ <u>394,908</u>	\$ <u>(865,211)</u>	\$ <u>(649,029)</u>	\$ <u>(216,182)</u>
Depreciation	\$ <u>287,285</u>	\$ <u>283,848</u>	\$ <u>3,437</u>	\$ <u>3,437</u>	\$ <u>36,688</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total Direct Expenses						4,839,363	2,634,300	2,205,063
Percent of Total Program Expenses						100%	54%	46%
Distribution of Support Services								
Expenses						<u>1,980,662</u>	<u>1,078,170</u>	<u>902,492</u>
Grand Total Program Expenses						\$ <u>6,820,025</u>	\$ <u>3,712,470</u>	\$ <u>3,107,555</u>

See the 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, 2023

Chief Executive Office Name: Judy Reese Morse

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 165,000
Benefits - insurance	14,175
Benefits - retirement	8,250
Car allowance	4,200
Travel-reimbursement	1,032
Total	<u>\$ 192,657</u>

Internal Controls, Compliance, and Other Matters

**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 Director of
Urban League of Louisiana, Inc. and Subsidiary
New Orleans, Louisiana

We have audited, in accordance with the 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 Urban League of Louisiana, Inc. (the League), which comprise the statement of financial position as of June 30, 2023 and the related 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 December 22, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the League’s internal control over financial reporting (internal control) as a basis for designing 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.

Our 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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's consolidated financial statements are free from 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 financial statements. 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 results of our 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 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

New Orleans, Louisiana
December 22, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Urban League of Louisiana, Inc. and Subsidiary (the League)'s compliance with the types of compliance requirements identified as subject to audit 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, 2023. The League's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the League's 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, 2023.

Basis for Opinion on Each Major Federal Program

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; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the League and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of League's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the League's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the League's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about League's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the League's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the League's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 League's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the League's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The League's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

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 the 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

New Orleans, Louisiana
December 22, 2023

Schedule of Findings and Questioned Costs

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued				Unmodified
Internal control over financial reporting:				
Material weaknesses identified?	_____ Yes	_____ <u>X</u> No		
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported		
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No		

Federal Awards

Internal control over major programs:				
Material weaknesses identified?	_____ Yes	_____ <u>X</u> No		
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported		
Type of auditors' report issued on compliance for major programs:				Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____ Yes	_____ <u>X</u> No		

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
59.077	SBA Community Pilot Program
93.600	Head Start (Parent Child Center)

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	_____ <u>X</u> Yes _____ No

No Separate Management Letter was Issued

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

There were no findings.

Section III – Federal Award Findings and Questioned Costs

There were no findings.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

**STATUS OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Summary of Prior Year Findings

There were no findings reported in the prior year,

Status of Prior Year's Comments to Management

None were reported in the prior year.

**INDEPENDENT ACCOUNTANTS'
REPORT ON APPLYING AGREED-
UPON PROCEDURES**

To the Governing Board of the Urban League
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022, through June 30, 2023. Urban League's management is responsible for those C/C areas identified in the SAUPs.

The ULLA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1.) Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

We performed the procedures above and noted no exceptions.

b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

We performed the procedures above and noted no exceptions.

c. ***Disbursements***, including processing, reviewing, and approving.

We performed the procedures above and noted no exceptions.

d. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

We performed the procedures above and noted no exceptions.

e. ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

We performed the procedures above and noted no exceptions.

- f. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

We performed the procedures above and noted no exceptions.

- g. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage. (e.g., determining the reasonableness of fuel card purchases).

We performed the procedures above and noted no exceptions.

- h. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

We performed the procedures above and noted no exceptions.

- i. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations and, (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

We performed the procedures above and noted no exceptions.

- j. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

We performed the procedures above and noted no exceptions.

- k. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We performed the procedures above and noted no exceptions.

- l. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

We performed the procedures above and noted no exceptions.

Board or Finance Committee

- 2.) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

We performed the procedures above and noted no exceptions.

- b. For those entities reporting on the governmental accounting model, observe whether the minutes reference or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

We performed the procedures above and noted no exceptions.

- c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

We performed the procedures above and noted no exceptions.

- d. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved

We performed the procedures above and noted no exceptions.

Bank Reconciliations

- 3.) Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

We performed the procedures above and noted no exceptions.

- b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged): and

We performed the procedures above and noted no exceptions.

- c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

We performed the procedures above and noted no exceptions.

Collections

- 4.) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

We performed the above procedures and noted no exceptions.

- 5.) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are segregated at each collection location such that:

- a. Employees that are responsible for cash collections do not share cash drawers/registers.

We performed the procedures above and noted no exceptions.

- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

We performed the procedures above and noted no exceptions.

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposits.

We performed the procedures above and noted no exceptions.

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

We performed the procedures above and noted no exceptions.

- 6.) Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

We performed the above procedures and noted no exceptions.

- 7.) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a. Observe that receipts are sequentially pre-numbered.

We performed the procedure above and noted no exceptions.

- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

We performed the procedure above and noted no exceptions.

- c. Trace the deposit slip total to the actual deposit per the bank statement.

We performed the procedure above and noted no exceptions.

- d. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection

location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

We performed the procedure above and noted no exceptions.

- e. Trace the actual deposit per the bank statement to the general ledger.

We performed the procedure above and noted no exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8.) Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

We performed the above procedures and noted no exceptions.

- 9.) For each location selected under #8 above, obtain a listing of those employees involved with non- payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

We performed the procedure above and noted no exceptions.

- b. At least two employees are involved in processing and approving payments to vendors.

We performed the procedure above and noted no exceptions.

- c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

We performed the procedure above and noted no exceptions.

- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

We performed the procedure above and noted no exceptions.

- 10.) For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

We performed the procedure above and noted no exceptions.

- b. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

We performed the procedure above and noted no exceptions.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11.) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P- cards (card) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

We performed the procedure above and noted no exceptions.

- 12.) Using the listing prepared by management randomly select 5 cards (or all cards if less than 5 that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases exception reports for excessive fuel card usage) was reviewed and approved, in writing by someone other than the authorized card holder. (Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)

We performed the procedure above and noted no exceptions.

- b. Observe that finance charges and late fees were not assessed on the selected statements.

We performed the procedures above and noted no exceptions.

- 13.) Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We performed the procedure above and noted no exceptions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- 14.) Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.

We performed the procedure above and noted no exceptions

If reimbursed using actual costs, observe the reimbursement is supported by an

original itemized receipt that identified precisely what was purchased.

We performed the procedure above and noted no exceptions.

- b. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the name of those individuals participating and other documentation required by written policy (procedure #1h).

We performed the procedure above and noted no exceptions.

- c. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

We performed the procedure above and noted no exceptions.

Contracts

15.) Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

We performed the procedures above and noted no exceptions.

- b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

We performed the procedure above and noted no exceptions.

- c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

We performed the procedure above and noted no exceptions.

- d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

We performed the procedure above and noted no exceptions.

Payroll and Personnel

16.) Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

We performed the procedure above and noted no exceptions.

17.) Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay

period, and:

- a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

We performed the procedure above and noted no exceptions.

- b. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

We performed the procedure above and noted no exceptions.

- c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

We performed the procedure above and noted no exceptions.

- 18.) Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

We performed the procedure above and noted no exceptions.

- 19.) Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

We performed the procedure above and noted no exceptions.

Ethics

- 20.) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

We performed the procedures above and no exceptions noted.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

We performed the procedures above and no exceptions noted.

Debt Service

- 21.) Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

We performed the procedure above and noted no exceptions.

- 22.) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

We performed the procedure above and noted no exceptions.

Fraud Notice

- 23.) Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

We performed the procedure above and noted no exceptions.

- 24.) Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We performed the procedure above and noted no exceptions.

Information Technology Disaster Recovery/Business Continuity

- 25.) Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedures above and noted no exceptions.

- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the above procedures and noted no exceptions.

- c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure above and noted no exceptions.

Sexual Harassment

- 26.) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour

of sexual harassment training during the calendar year.

We performed the procedures above and noted no exceptions.

- 27.) Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

We performed the procedures above and noted no exceptions.

- 28.) Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

We performed the procedures above and noted no exceptions.

- a. Number and percentage of public servants in the agency who have completed the training requirements;

All

- b. Number of sexual harassment complaints received by the agency;

None

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

None

- d. Amount of time it took to resolve each complaint.

None

We were engaged by Urban League of Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Urban League of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bruno & Tervalon LLP

Lake Charles, Louisiana
November 29, 2023