

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**FINANCIAL AND COMPLIANCE AUDIT**  
**TOGETHER WITH**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2025**

***Sean M. Bruno***  
***Certified Public Accountants, LLC***

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*Sean M. Bruno*  
*Certified Public Accountants, LLC*

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Member  
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Society of Louisiana  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Financial Statements**

*Opinion*

I have audited the accompanying financial statements of **Urban League of Louisiana, Inc. and Subsidiary** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the 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, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of **Urban League of Louisiana, Inc. and Subsidiary** and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**INDEPENDENT AUDITOR'S REPORT**  
**(CONTINUED)**

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 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 **Urban League of Louisiana, Inc. and Subsidiary's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

*Auditors' Responsibilities for the Audit of the Financial Statements*

My 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 auditor's report that includes my 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 and *Government 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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.

**INDEPENDENT AUDITOR'S REPORT**  
**(CONTINUED)**

*Auditors' Responsibilities for the Audit of the Financial Statements, continued*

- Obtain an understanding of internal control relevant to the audit 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 **Urban League of Louisiana, Inc. and Subsidiary'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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Urban League of Louisiana, Inc. and Subsidiary's** ability to continue as a going concern for a reasonable period of time.

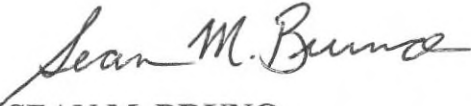
I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

***Supplementary Information***

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

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated March 20, 2026, on my consideration of **Urban League of Louisiana, Inc. and Subsidiary's** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **Urban League of Louisiana, Inc. and Subsidiary's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Urban League of Louisiana, Inc. and Subsidiary's** internal control over financial reporting and compliance.



**SEAN M. BRUNO**  
**CERTIFIED PUBLIC ACCOUNTANTS, LLC**  
New Orleans, Louisiana

March 20, 2026

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2025**

ASSETS

Cash and cash equivalents (NOTE 2)	\$	2,995,649
Investments		3,746
Endowment		61,832
Due from funding agencies		949,547
Other receivables		26,181
Prepaid expenses and other assets		67,276
Property, plant and equipment net of accumulated depreciation of \$3,538,879 (NOTE 3)		5,639,319
Right of Use Asset		<u>31,703</u>
 Total assets	 \$	 <u>9,775,253</u>

LIABILITIES AND NET ASSETS

Liabilities:

Current liabilities:

Accounts payable and accrued expenses	\$	478,581
Line of credit		45,359
Compensated absences		48,700
Current portion of long-term debt		<u>77,011</u>
Total current liabilities		<u>649,651</u>

Long-term liabilities:

Long-term debt, net		899,486
Lease obligation		<u>31,703</u>
Total long-term liabilities		<u>931,189</u>

Total liabilities		<u>1,580,840</u>
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Net Assets:

Without Donor Restrictions (NOTE 2)		7,414,363
With Donor Restrictions (NOTES 2 & 12)		<u>780,050</u>

Total net assets		<u>8,194,413</u>
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Total liabilities and net assets	\$	<u>9,775,253</u>
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The accompanying notes are an integral part of these financial statements

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>			
Federal grants	\$ 1,824,837	\$ -	\$ 1,824,837
State and local grants	-	-	-
Board generated self support	1,115,345	-	1,115,345
Client generated self support (NOTE 8)	1,912,567	555,000	2,467,567
Interest income	93,017	-	93,017
Other revenue	83,893	-	83,893
Net assets released from purpose and time restrictions	<u>692,496</u>	<u>(692,496)</u>	<u>-</u>
<b>Total revenue and support</b>	<u>5,722,155</u>	<u>(137,496)</u>	<u>5,584,659</u>
<b>Expenses:</b>			
Program services			
Economic development	1,773,978	-	1,773,978
Education and social justice	<u>2,244,321</u>	<u>-</u>	<u>2,244,321</u>
<b>Total program services</b>	<u>4,018,299</u>	<u>-</u>	<u>4,018,299</u>
Support services			
Management and general	2,457,214	-	2,457,214
Resource development	<u>555,057</u>	<u>-</u>	<u>555,057</u>
<b>Total support services</b>	<u>3,012,271</u>	<u>-</u>	<u>3,012,271</u>
<b>Total expenses</b>	<u>7,030,570</u>	<u>-</u>	<u>7,030,570</u>
Realized gain on investments	<u>4,232</u>	<u>6,867</u>	<u>11,099</u>
<b>Changes in net assets</b>	<b>(1,304,183)</b>	<b>(130,629)</b>	<b>(1,434,812)</b>
<b>Net Assets:</b>			
Beginning of the year	<u>8,718,546</u>	<u>910,679</u>	<u>9,629,225</u>
End of year	<u>\$ 7,414,363</u>	<u>\$ 780,050</u>	<u>\$ 8,194,413</u>

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

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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	<u>Support Services</u>	<u>Program Services</u>	<u>Total Expenses</u>
Compensation expenses	\$ 1,087,853	\$ 2,356,023	\$ 3,443,876
Occupancy expenses	262,153	153,490	415,643
Professional fees and contracts	389,726	784,418	1,174,144
Food Services	9,685	54,108	63,793
Travel and transportation	24,962	49,327	74,289
Supplies	13,018	88,627	101,645
Equipment rental	26,337	13,708	40,045
Printing and copying	9,012	6,914	15,926
Other direct program expenses	299,741	511,684	811,425
Special events / Gala	508,079	-	508,079
Interest and Loan amortization	94,465	-	94,465
Depreciation	<u>287,240</u>	<u>-</u>	<u>287,240</u>
	<u>\$ 3,012,271</u>	<u>\$ 4,018,299</u>	<u>\$ 7,030,570</u>

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

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**Cash Flows from Operating Activities:**

Change in net assets	\$ (1,434,812)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Gain on investment	(6,957)
Depreciation/amortization expense	287,240
Increase in accounts receivable	(78,252)
Decrease in other receivable	73,819
Decrease in right of use assets	47,536
Decrease in prepaid expenses	4,084
Increase in accounts payable	128,669
Decrease in deferred revenues	(56,555)
Decrease in lease obligations	(47,536)
Increase in compensated absences	48,700
	<u>48,700</u>
Net cash flows used in operating activities	<u>(1,034,064)</u>

**Cash Flows from Financing Activities:**

Payment on line of credit	(2,543)
Principal payments on long-term debt	<u>(63,571)</u>
Net cash flows used in financing activities	<u>(66,114)</u>

Net decrease in cash and cash equivalents (1,100,178)

Cash - July 1, 2024 4,095,827

Cash - June 30, 2025 \$ 2,995,649

**Supplemental Disclosures:**

Interest Paid \$ 94,465

**Noncash items:**

Operating lease right of use \$ 47,536

Operating lease obligation \$ (47,536)

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

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

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**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 providing 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 follow 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.

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.

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

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

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 2022, 2023 and 2024 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, 2025, and 2024, there were no allowances, respectively. Uncollectible accounts have been historically insignificant.

Land, Building and Equipment

**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.

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

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

Land, Building and Equipment, Continued

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 donors.

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.

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

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.

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

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

Functional Allocation of Expenses, Continued

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, 2025, 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 958205 was effective after June 15, 2022. 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.

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

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

Presentation of Financial Statements, Continued

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**. **The League's** board may designate assets without restrictions for specific operational purposes 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 returns from investments, financing costs, and other activities considered to be a more unusual or non-recurring nature.

Fair Value of Financial Instruments

The estimated fair value of all significant financial statement amounts has 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.

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.

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

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

New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance lessees are required to recognize a right-of-use (ROU) asset and lease liability on the statement of financial position for leases with terms longer than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current accounting principles generally accepted in the United States of America (U.S. GAAP).

The League adopted ASU 2016-02 as of July 1, 2022, using the modified retrospective approach and applied the package of practical expedients in transitioning to the new guidance. Electing the package of practical expedients allowed the League to carry forward its prior conclusions on lease definition, lease classification, and initial direct costs related to the existing leases as of the adoption date. Both at transition and for new leases thereafter, ROU assets and lease liabilities are initially recognized based on the present value of future minimum lease payments over the lease term.

Upon adoption of ASU 2016-02, the League recognized a ROU asset and lease liability of \$31,703 with no cumulative-effect adjustment to the opening balance of net assets.

Leases

In February 2016, the FASB issued Accounting Standard Codification (ASC) Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements.

Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. The League adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements.

Under this transition provision, **the League** has applied Topic 842 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the League's historical accounting treatment under ASC Topic 840, *Leases*.

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

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

Leases, Continued

**The League** elected the “package of practical expedients” under the transition guidance within Topic 842, in which the League does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The League has not elected to adopt the “hindsight” practical expedient and, therefore, will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

**The League** determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) The League obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The League also considers whether its service arrangements include the right to control the use of an asset.

**The League** made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liability for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives.

To determine the present value of lease payments, **the League** made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate of 4%, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability amount organizations by requiring the recognition of right-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets

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

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

Leases, Continued

and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

We adopted the standard effective January 1, 2022, and recognized and measured leases existing at, or entered into after, January 1, 2021 (the beginning of the earliest comparative period presented) using a modified retrospective approach, with certain practical expedients available.

**NOTE 2 -ECONOMIC DEPENDENCY**

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

**NOTE 3 - LAND, BUILDING AND EQUIPMENT**

As of June 30, 2025, the League held the following fixed assets:

Non-depreciable assets:	
Land	\$ <u>1,105,500</u>
Total non-depreciable assets	<u>1,105,500</u>
Depreciable assets:	
Building and Building improvements	7,761,009
Furniture and equipment	<u>311,689</u>
Total depreciable assets	<u>8,072,698</u>
Less: accumulated depreciation	<u>(3,538,879)</u>
Total depreciable assets, net	<u>4,533,819</u>
Total	\$ <u><u>5,639,319</u></u>

Depreciation expense for the years ended June 30, 2025, totaled \$287,240.

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

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**NOTE 3 - LAND, BUILDING AND EQUIPMENT, CONTINUED**

At June 30, 2025, 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 \$1,680,512. 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.

**NOTE 4 - COMPENSATED ABSENCES**

Employees of the League are entitled to sick leave and personal time off, depending on job classification, length of service, and other factors. Compensated absences accrued and included in accounts payable accrued expenses as of June 30, 2025, totaled \$48,700.

**NOTE 5 - LONG TERM DEBT**

The League has an outstanding long-term note payable with a bank that carries an adjustable daily-floor interest rate of 4.5% and a ceiling interest rate of 6.5%. The \$2,000,000 note payable has a current outstanding balance of \$976,497 at June 30, 2025. The Note had a ten-year term based upon a seven-year amortization with a balloon payment due at maturity. The note carries monthly principal and interest payments of \$12,592.

Note Payable Balance	\$ 976,497
Less: Current maturities	(77,011)
Total long-term debt, net	\$ <u>899,486</u>

Scheduled principal payments on the long-term date are as follows:

Year ending June 30,	
2026	\$ 77,011
2027	83,403
2028	90,159
2029	97,807
2030	105,924
2031 and thereafter	<u>445,182</u>
Total	\$ <u>899,486</u>

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

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**NOTE 6 – REVOLVING LINES OF CREDIT**

At June 30, 2025, the League has two revolving lines of credit with Whitney and Capital One Bank with credit limits of \$50,000 and \$100,000, with annual interest rates of 12.500% and 13.625%, respectively. The unpaid balance of the two lines of credit total \$45,359 and \$47,902, respectively at June 30, 2025. The lines of credit are secured by real estate.

**NOTE 7 – PENSION PLAN**

The League sponsors a defined contribution pension plan. Under the plan, the League matches up to five (5%) percent of the employees' contributions to the plan. Matching contribution expenses during the years ended June 30, 2025, totaled \$77,364.

**NOTE 8 - OPERATING LEASE RIGHT OF USE**

The League leases office space and equipment under non-cancelable operating lease which expires December 31, 2028. Payments during the renewal option period were excluded since operating leases renewal options do not create a significant economic incentive for the League to extend the lease term.

Maturities of lease liabilities as of June 30, 2025, were as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2026	\$ 17,931
2027	10,293
2028	3,479
Total minimum future rental payments	\$ 31,703

**NOTE 9 – NET ASSETS RELEASED RESTRICTIONS**

Net assets were released from donor restrictions during the years ended June 30, 2025, by incurring expenses satisfying the purpose and time restrictions.

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

**NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS**

As of June 30, 2025, net assets with donor restrictions consist of the following:

Education and Youth Empowerment	\$ 521,001
Parent Information Center/Awareness	9,523
Perpetuity	61,832
Business Resource Center	<u>187,693</u>
Total	<u>\$ 780,050</u>

**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.

Cash and Cash Equivalents	\$ 2,995,649
Due from Funding Agencies	949,547
Investments	<u>3,746</u>
Total Financial Assets	<u>3,948,942</u>
Less:	
Endowment investments (Restricted in Perpetuity)	<u>(61,832)</u>
Total Financial Assets Available /within One Year	<u>\$ 3,887,110</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.

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

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**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 – FEDERAL FINANCIAL ASSISTANCE QUESTIONED COSTS**

**The League** receives federal financial assistance directly from federal agencies or pass through from other agencies. Audits of **the League's** federal award programs periodically disclosed certain items or transactions as questioned costs. The ultimate resolution or determination as to whether the costs will be disallowed under the affected grants will be made by the various funding sources and cannot be determined at this time. **The League** believes disallowance, if any, will be immaterial to its financial position and operations.

**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 – DUE FROM FUNDING AGENCIES**

As of June 30, 2025, due from funding agencies consists of the Following:

National Urban League	\$ 203,270
Private Companies	39,062
State of Louisiana	398,878
U.S. Small Business Administration	147,261
U.S. Department of Education	161,076
Total due from funding agencies	\$ <u>949,547</u>

**NOTE 16 – 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, 2025, that exceeded the balance insured by the FDIC by \$2,691,880.

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

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**NOTE 16 – CONCENTRATION OF CREDIT RISK, CONTINUED**

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 17 - 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, 2025.

**NOTE 18 – 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.

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

**NOTE 18 – FAIR VALUE MEASUREMENTS, CONTINUED**

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

The following table summarizes the valuation of the League's investments measured at fair value by the FASB ASC 820 fair value hierarchy levels as of June 30, 2025.

		Fair Value Measuring Using Quoted Price in Active Market for identification
	<u>Fair Value</u>	<u>(Level 2)</u>
Endowment Fund	\$ 61,832	\$ 61,832

**NOTE 19 – 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 funds, 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, 2025 are as follow:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 2,995,649	\$ 2,995,649
Short-term investments	3,656	3,656
Endowment fund	61,832	61,832
Revolving lines of credit	47,902	47,902
Long-term debt	899,486	899,486

**NOTE 20 -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 March 20, 2026, 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.

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025

<u>Federal Grantor/Program Name</u>	<u>Federal ALN or Other Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Education</u></b>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed-Through: LA State Department of Education</u>		
Twenty First Century Community Learning Centers	84.287	304,475
<b><u>U.S. Small Business Administration</u></b>		
<u>Direct Award</u>		
Women's Business Ownership Assistance	59.043	174,564
<b><u>U.S. Department of Health and Human Services</u></b>		
<u>Passed through Total Community Action</u>		
Head Start (Head Start Cluster)	93.600	717,229
<b><u>U.S. Department of Agriculture</u></b>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed-Through: LA State Department of Education</u>		
Child and Adult Care Food Program	10.558	53,797
<b><u>U.S. Department of Labor</u></b>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed through National Urban League</u>		
ReEntry Employment Opportunities	17.270	256,811
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed through National Urban League</u>		
Registered Apprenticeship	17.285	98,201
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed through National Urban League</u>		
Workforce Data Quality Initiative (WDQI)	17.261	3,889
<b><u>U.S. Department of Labor</u></b>		
<u>Direct Award</u>		
Community Project Funding/Congressionally Directed Spending	17.289	215,871
		<b>\$ <u>1,824,837</u></b>

The accompanying notes are an integral part of these schedules.

**Urban League of Louisiana, Inc. and Subsidiary**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025

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NOTE 1 – Basis of Accounting:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **Urban League of Louisiana, Inc. and Subsidiary** and is presented on the accrual basis of accounting. The information in this schedule is presented 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*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic 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 Rate:

**Urban League of Louisiana, Inc. and Subsidiary** has not elected to use the ten percent (10%) indirect cost rate 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, 2025**

	<u>SUPPORT SERVICES</u>					<u>PROGRAM SERVICES</u>		
	<u>Agency Total</u>	<u>UEDC</u>	<u>Total Support Services</u>	<u>Management and General</u>	<u>Resource Development</u>	<u>Total Program Services</u>	<u>Economic Development</u>	<u>Education and Social Justice</u>
<b><u>REVENUES</u></b>								
Federal grants	\$ 1,824,837	\$ -	\$ -	\$ -	\$ -	\$ 1,824,837	\$ 749,336	\$ 1,075,501
Board generated self-support	1,115,345	-	1,105,885	461,000	644,885	9,460	4,460	5,000
Client generated self-support	2,467,567	-	362,514	314,435	48,079	2,105,052	1,235,094	869,958
Interest income	93,017	-	93,017	93,017	-	-	-	-
Other revenue	<u>83,894</u>	<u>72,523</u>	<u>11,371</u>	<u>9,806</u>	<u>1,565</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total self-generated revenue	5,584,659	72,523	1,572,787	878,258	694,529	3,939,349	1,988,890	1,950,459
Realized gain on investment	<u>11,099</u>	<u>-</u>	<u>11,099</u>	<u>11,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and realized gain	<u>\$ 5,595,759</u>	<u>\$ 72,523</u>	<u>\$ 1,583,886</u>	<u>\$ 889,357</u>	<u>\$ 694,529</u>	<u>\$ 3,939,349</u>	<u>\$ 1,988,890</u>	<u>\$ 1,950,459</u>

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	SUPPORT SERVICES					PROGRAM SERVICES		
	Agency Total	UEDC	Total Support Services	Management and General	Resource Development	Total Program Services	Economic Development	Education and Social Justice
<b><u>EXPENSES</u></b>								
Compensation expenses	3,443,876	-	1,087,853	1,087,853	-	2,356,023	1,005,188	1,350,835
Occupancy expenses	415,643	-	262,153	262,153	-	153,490	45,735	107,755
Professional fees and contracts	1,174,144	-	389,726	288,776	100,950	784,418	388,006	396,412
Food	63,793	-	9,685	8,858	827	54,108	22,507	31,601
Travel and transportation	74,289	-	24,962	22,619	2,343	49,327	32,093	17,234
Gala/Special event expenses	508,079	-	508,079	92,925	415,154	-	-	-
Supplies	101,645	-	13,018	12,544	474	88,627	38,694	49,933
Equipment rental	40,045	-	26,337	26,337	-	13,708	4,000	9,708
Printing and copying	15,926	-	9,012	3,334	5,678	6,914	864	6,050
Other direct program expenses	811,425	-	299,741	270,110	29,631	511,684	236,891	274,793
Interest and Loan Amortization	94,465	88,896	5,569	5,569	-	-	-	-
Total expenses before depreciation	<u>6,743,330</u>	<u>88,896</u>	<u>2,636,135</u>	<u>2,081,078</u>	<u>555,057</u>	<u>4,018,299</u>	<u>1,773,978</u>	<u>2,244,321</u>
Net Difference	(1,147,571)	(16,373)	(1,052,248)	(1,191,721)	139,473	(78,950)	214,912	(293,862)
Depreciation	<u>287,240</u>	<u>284,200</u>	<u>3,040</u>	<u>3,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>7,030,570</u>							
						Total Direct Expenses	1,773,978	2,244,321
						Percent of Total Program Expenses	44%	56%
						Distribution of Support		
						Expenses	1,159,899	1,476,235
						Grand Total Program Expenses	<u>\$ 6,654,434</u>	<u>\$ 3,720,556</u>

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

**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, 2025

Chief Executive Office Name:      Judy Reese Morse

<u>Purpose</u>	<u>Amount</u>
Salary	\$     200,000
Benefits - insurance	18,737
Benefits - retirement	10,000
Car allowance	4,200
Travel-reimbursement	<u>7,216</u>
Total	<u>\$     240,153</u>

*Sean M. Bruno*  
*Certified Public Accountants, LLC*

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

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*

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

I 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 financial statements of **Urban League of Louisiana, Inc. and Subsidiary** (a non-profit organization) which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated.

**Report On Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered **Urban League of Louisiana, Inc. and Subsidiary's** internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Urban League of Louisiana, Inc. and Subsidiary's** internal control. Accordingly, I do not express an opinion on the effectiveness of **Urban League of Louisiana, Inc. and Subsidiary's** internal control.

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*

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(CONTINUED)

**Report On Internal Control Over Financial Reporting, Continued**

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

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

**Report On Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Urban League of Louisiana, Inc. and Subsidiary's** financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2025-001.

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*

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(CONTINUED)

**Urban League of Louisiana, Inc. and Subsidiary's Response to Findings**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**SEAN M. BRUNO**  
**CERTIFIED PUBLIC ACCOUNTANTS, LLC**  
New Orleans, Louisiana

March 20, 2026

**Sean M. Bruno**  
*Certified Public Accountants, LLC*

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

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

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

***Report on Compliance for Each Major Federal Program***

***Opinion on Each Major Federal Program***

I have audited **Urban League of Louisiana, Inc. and Subsidiary'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 **Urban League of Louisiana, Inc. and Subsidiary's** major federal programs for the year ended June 30, 2025. **Urban League of Louisiana, Inc. and Subsidiary's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, **Urban League of Louisiana, Inc. and Subsidiary** complied, in all material respects, with the 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, 2025.

***Basis for Opinion on Each Major Federal Program***

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

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

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**(CONTINUED)**

***Basis for Opinion on Each Major Federal Program, Continued***

I am required to be independent of **Urban League of Louisiana, Inc. and Subsidiary** and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of **Urban League of Louisiana, Inc. and Subsidiary'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 **Urban League of Louisiana, Inc. and Subsidiary's** federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

My 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 **Urban League of Louisiana, Inc. and Subsidiary's** compliance based on my 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 **Urban League of Louisiana, Inc. and Subsidiary'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, I:

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

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**(CONTINUED)**

*Auditor's Responsibilities for the Audit of Compliance, Continued*

- 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 **Urban League of Louisiana, Inc. and Subsidiary's** compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of **Urban League of Louisiana, Inc. and Subsidiary'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 **Urban League of Louisiana, Inc. and Subsidiary's** internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

*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.

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

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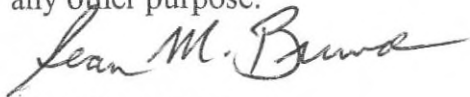
**(CONTINUED)**

*Report on Internal Control over Compliance, Continued*

My 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 my audit I did not identify any deficiencies in internal control over compliance, that I 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.

My 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.

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



**SEAN M. BRUNO**  
**CERTIFIED PUBLIC ACCOUNTANTS, LLC**  
New Orleans, Louisiana

March 20, 2026

**SCHEDULE I**

**SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS**

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**SCHEDULE I - Summary of the Independent Auditor's Results**

*Financial Statements*

1. Type of report issued on the financial statements. **Unmodified opinion**
2. Did the audit disclose any significant deficiencies in internal control? **No**
3. Did the audit disclose any material weaknesses in internal control? **No**
4. Did the audit disclose any noncompliance which is material to the financial statements of the organization? **Yes**

*Federal Awards*

5. Did the audit disclose any significant deficiencies in internal control over major programs? **No**
6. Did the audit disclose any material weaknesses in internal control over major programs? **No**
7. Type of report issued on compliance for major federal programs. **Unmodified**
8. Did the audit disclose any audit findings which the independent auditors are required to report in accordance with Uniform Guidance 200.518(b)(1)? **No**
9. The following is an identification of major programs:

<u>CFDA or Contract Number</u>	<u>Name of Federal Program</u>
93.600	Head Start Cluster

10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in 2 CFR 200.516(a) was **\$750,000.**
11. Did the auditee qualify as a low risk auditee under Uniform Guidance 200.520? **No**

**SCHEDULE II**  
**FINANCIAL STATEMENTS FINDING**

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**SCHEDULE II – Financial Statement Finding**

Reference Number

2025-001 – Untimely Submission of Audit Report

Criteria

Pursuant to the requirement of Louisiana Statute R.S 24:513 A.(5)(a)(i), annual financial reports shall be completed within six (6) months of the close of an entity’s fiscal year.

Conditions and Contexts

The June 30, 2025 report was not submitted within the prescribed time frame.

Cause

Management failed to ensure that the audit report was issued within the prescribed time frame.

Questioned Costs

For purposes of this condition, I have no questioned cost.

Effect

The **Urban League of Louisiana, Inc. and Subsidiary’s** has not complied with the audit reporting requirement of Louisiana Statute R.S. 24:513 A(5)(a)(i).

Recommendation

I recommend that the management of the **Urban League of Louisiana, Inc. and Subsidiary’s** take steps to ensure that the report is submitted within the prescribed deadlines.

Management’s Response

The delay in the issuance is due to the predecessor auditor not notifying **the League** timely of their inability to conduct our June 30, 2025 audit which resulted in **the League** being delayed in engaging an auditor and the engagement letter being sent to the Louisiana Legislative Auditor for approval.

**SCHEDULE III**

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**SCHEDULE III – Federal Award Finding and Questioned Costs**

**INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE**

None Noted

**SCHEDULE IV**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULE IV – Schedule of Prior Year Audit Findings**

N/A

*Sean M. Bruno*  
*Certified Public Accountants, LLC*

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

**INDEPENDENT ACCOUNTANT’S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

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

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, 2024 through June 30, 2025**. **The Urban League of Louisiana, Inc. and Subsidiary’s (the League)** management is responsible for those C/C areas identified in the SAUPs.

**The League** 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, 2024 through June 30, 2025**. 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***

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1. Obtain and inspect **the League’s** written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and **the League’s** operations.
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
**Results: No exceptions were noted.**
  - 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.  
**Results: No exceptions were noted.**
  - c) ***Disbursements***, including processing, reviewing, and approving.  
**Results: No exceptions were noted.**

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*Written Policies and Procedures, Continued*

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- 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).

**Results: No exceptions were noted.**

- e) *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

**Results: No exceptions were noted.**

- 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.

**Results: No exceptions were noted.**

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

**Results: No exceptions were noted**

- h) *Credit Cards (and debit cards, fuel cards, Purchase Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

**Results: No exceptions were noted.**

- 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.

**Results: Not applicable as the League is a nonprofit organization.**

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

**Results: Not applicable as the League is a nonprofit organization.**

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

- k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of 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 system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Results: No exceptions were noted.**

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

**Results: Not applicable as the League is a nonprofit organization.**

*Board (or Finance Committee, if applicable)*

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 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.

**Results: The finance committee met regularly in accordance with the bylaws.**

**No exceptions were noted.**

- b) For those entities reporting on the nonprofit accounting model, observe that the minutes referenced 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.

**Results: The minutes did reference the public funds.**

**No exceptions were noted.**

- 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.

**Results: Not applicable as the League is a nonprofit organization.**

- 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.

**Results: Not applicable as there were no audit finding(s).**

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

***Bank Reconciliations***

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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:

**Results: We obtained a listing of the League's bank accounts from management for the fiscal year. We also obtained management's representation that the listing was complete.**

- 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);

**Results: No exceptions were noted.**

- b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, or electronically logged); and

**Results: No exceptions were noted.**

- 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.

**Results: No exceptions were noted.**

***Collections (excluding electronic funds transfers)***

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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).

**Results: This procedure is not applicable. Public funding is received by electronic transfers.**

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 there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*Collections, (excluding electronic funds transfers) Continued*

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- a) Employees responsible for cash collections do not share cash drawers/registers.
- 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.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- 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.

**Results: This procedure is not applicable. Public funding is received by electronic transfers. No manual collections.**

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.

**Results: No exceptions were noted..**

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). *Alternately, 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.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Results: This procedure is not applicable. Public funding is received by electronic transfers.**

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*Non-Payroll Disbursements (excluding card purchases, 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).

**Results: We obtained a listing of all locations that process payments for the fiscal period and a representation from management that the listing was complete.**

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.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - 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.
  - 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.
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

**Results: No exceptions were noted.**

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 whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**No exceptions were noted.**

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases), Continued*

---

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

**No exceptions were noted.**

*Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)*

---

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

**Results: We obtained a listing of all active credit/debit cards including the card numbers and names of persons who maintained possession of the cards and a representation from management that the listing was complete.**

13. 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 whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results: We noted the following exception: For 1 of the 2 credit cards selected, we were unable to observe evidence of review and approval by someone other than the authorized card holder.**

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards), Continued*

---

14. 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.

**Results: All transactions were properly supported. No exceptions were noted.**

*Travel and Travel-Related Expense Reimbursement (excluding card transactions)*

---

15. 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 ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results: No exceptions were noted.**

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*Contracts*

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16. 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:

**Results: We obtained a listing of all contracts that were initiated or renewed during the fiscal period, and a representation from management that the listing was complete.**

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe 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).
- 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 the invoice and related payment agreed to the terms and conditions of the contract.

**Results: No exceptions were noted.**

*Payroll and Personnel*

---

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

**Results: No exceptions were noted.**

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

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

*Payroll and Personnel, Continued*

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- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results: No exceptions were noted.**

19. 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.

**Results: No exceptions were noted.**

20. 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.

**Results: No exceptions were noted.**

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*Ethics*

---

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - 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.

**Results: The League is a nonprofit organization and as such is not subject to the ethics training requirement.**

22. Inquire and/or observe whether the Agency has appointed an ethics designee as required by R.S. 42:1170.

**Results: The League is a nonprofit organization and as such is not subject to this ethics requirement.**

*Debt Service*

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23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. 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).

**Results: The League is a nonprofit organization and as such is not subject to the Debt Service requirement.**

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*Fraud Notice*

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25. 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 as required by R.S. 24:523.

**Results: Management confirmed there were no misappropriations of public funds or assets, and we obtained representation from management that there were no misappropriations of public funds.**

26. 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.

**Results: We observed that the League posted the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.**

*Information Technology Disaster Recovery/Business Continuity*

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27. 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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- 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.
- 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.

**Results: We performed the procedure and discussed the results with management.**

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*Information Technology Disaster Recovery/Business Continuity, Continued*

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28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**Results: We performed the procedure and discussed the results with management.**

29. Using the 5 randomly selected employees/officials from Payroll and Personnel Procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S.42:1267. The requirements are as follows:

- Hired before June 9, 2020-completed the training; and
- Hired on or after June 9, 2020-completed the training within 30 days of initial service or employment

**Results: We performed the procedures and discussed the results with management.**

*Prevention of Sexual Harassment*

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30. Using the 5 randomly selected employees/officials from procedure #17 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 as required by R.S. 42:343.

31. 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).

32. 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:

- a) Number and percentage of public servants in the agency who have completed the training requirements.
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred.

INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*Prevention of Sexual Harassment, Continued*

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- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

**Results: The League is a nonprofit organization and as such is not subject to the Prevention of Sexual Harassment requirement.**

We were engaged by **the League** 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 **the League** 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.



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March 25, 2026