

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

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

**FOR THE YEAR ENDED JUNE 30, 2024**

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**DONALD R. FORD**

**CERTIFIED PUBLIC ACCOUNTANT**

**A LIMITED LIABILITY COMPANY**

**MEMBER**

AMERICAN INSTITUTE OF CPAS  
SOCIETY OF LOUISIANA CPAS

**INDEPENDENT AUDITOR'S REPORT**

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

**Opinion**

I have audited the accompanying consolidated financial statements of Urban League of Louisiana, Inc. and Subsidiary (the League), (a nonprofit organization) which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Urban League of Louisiana, Inc. and Subsidiary as of June 30, 2024 and the consolidated results of operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the League's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the League's ability to continue as a going concern for a reasonable period of time.

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 we identified during the audits.

## **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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Also, the accompanying Schedule of Revenues and Expenses by Program and the accompanying Schedule of Compensation,

Benefits and Other Payments to the Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

### **Report on Summarized Comparative Information**

Another firm previously audited Urban League of Louisiana, Inc. and Subsidiary's 2023 consolidated financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated December 22, 2023. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated December 13, 2024 on my consideration of the League's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the League's internal control over financial reporting and compliance.



Baton Rouge, Louisiana  
December 23, 2024

## **Basic Financial Statements**

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

STATEMENT OF FINANCIAL POSITION  
June 30, 2024  
(With Summarized Comparative Totals for 2023)

	<b>ASSETS</b>	
	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 4,095,827	\$ 6,009,231
Due from funding agencies	871,295	1,003,514
Other receivable	100,000	-
Prepaid expenses and other assets	<u>71,359</u>	<u>64,055</u>
Total current assets	5,138,481	7,076,800
Property Plant & Equipment:		
Land, building and equipment, net	5,926,560	6,213,801
Right of Use Asset	<u>79,239</u>	<u>88,826</u>
Total property plant & equipment	6,005,799	6,302,627
Other Assets:		
Investments	3,656	3,536
Endowment	<u>54,966</u>	<u>49,475</u>
Other assets	58,622	53,011
Total assets	<u>\$ 11,202,902</u>	<u>\$ 13,432,438</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 349,913	\$ 570,364
Revolving lines of credit	47,902	17,601
Deferred revenue	56,555	70,995
Current portion of long-term debt	<u>70,231</u>	<u>68,275</u>
Total current liabilities	524,601	727,235
Long-term liabilities		
Long-term debt, net	969,837	1,040,066
Lease Obligations	<u>79,239</u>	<u>88,826</u>
Total long-term liabilities	<u>1,049,076</u>	<u>1,128,892</u>
Total liabilities	<u>1,573,677</u>	<u>1,856,127</u>
Net assets:		
Without donor restrictions	8,718,546	10,614,299
With donor restrictions	<u>910,679</u>	<u>962,012</u>
Total net assets	<u>9,629,225</u>	<u>11,576,311</u>
Total liabilities and net assets	<u>\$ 11,202,902</u>	<u>\$ 13,432,438</u>

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

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

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2024  
(With Summarized Comparative Totals for 2023)

	For the Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND PUBLIC SUPPORT</b>			
Revenues and public support:			
Federal grants	\$ 1,669,244	\$ -	\$ 1,669,244
State and local grants	-	-	-
Board-generated self support	1,007,475	-	1,007,475
Client-generated self support	2,332,978	350,000	2,682,978
Interest income	168,162	-	168,162
Other revenue	129,026	-	129,026
Net assets released from restrictions:			
Satisfaction of purpose and time restrictions	406,824	(406,824)	-
Total revenues and public support	<u>5,713,709</u>	<u>(56,824)</u>	<u>5,656,885</u>
<b>EXPENSES</b>			
Program services:			
Economic development	2,288,443	-	2,288,443
Education and social justice	<u>2,614,841</u>	<u>-</u>	<u>2,614,841</u>
Total program services	<u>4,903,284</u>	<u>-</u>	<u>4,903,284</u>
Support services:			
Management and general	2,612,752	-	2,612,752
Resource development	<u>98,066</u>	<u>-</u>	<u>98,066</u>
Total support services	<u>2,710,818</u>	<u>-</u>	<u>2,710,818</u>
Total expenses	<u>7,614,102</u>	<u>-</u>	<u>7,614,102</u>
Realized gain on investments	<u>4,640</u>	<u>5,491</u>	<u>10,131</u>
Changes in net assets	(1,895,753)	(51,333)	(1,947,086)
Net assets, beginning of year	<u>10,614,299</u>	<u>962,012</u>	<u>11,576,311</u>
Net assets, end of year	<u>\$ 8,718,546</u>	<u>\$ 910,679</u>	<u>\$ 9,629,225</u>

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



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

**STATEMENT OF ACTIVITIES**

For the Year Ended

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

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

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

SCHEDULE OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2024  
(With Summarizd Comparative Totals For 2023)

	2024			2023		
	<u>Agency Total</u>	<u>Total Support Services</u>	<u>Total Program Services</u>	<u>Agency Total</u>	<u>Total Support Services</u>	<u>Total Program Services</u>
<b><u>EXPENSES</u></b>						
Compensation expenses	\$ 3,362,894	\$ 900,362	\$ 2,462,532	\$ 3,527,744	\$ 700,159	\$ 2,827,585
Occupancy expenses	442,119	267,480	174,639	359,960	169,746	190,214
Professional fees and contracts	1,266,580	370,579	896,001	1,158,534	230,587	927,947
Food	100,339	6,663	93,676	63,587	768	62,819
Travel and transportation	116,454	39,236	77,218	85,526	25,623	59,903
Supplies	196,417	25,001	171,416	101,119	14,301	86,818
Equipment rental	64,323	24,330	39,993	41,367	20,387	20,980
Printing and copying	28,015	7,911	20,104	21,128	17,236	3,892
Other direct program expenses	1,310,074	399,653	910,421	1,057,773	561,150	496,623
Bad Debt	129,669	129,669	-	217,317	79,235	138,082
Gala/Special events	241,582	184,298	57,284	182,660	158,160	24,500
Interest and Loan Amortization	68,395	68,395	-	78,420	78,420	-
Depreciation	<u>287,241</u>	<u>287,241</u>	<u>-</u>	<u>287,285</u>	<u>287,285</u>	<u>-</u>
Total expenses	<u>\$ 7,614,102</u>	<u>\$ 2,710,818</u>	<u>\$ 4,903,284</u>	<u>\$ 7,182,420</u>	<u>\$ 2,343,057</u>	<u>\$ 4,839,363</u>

See the Independent Auditors' Report on Supplementary Information.

# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## STATEMENT OF CASH FLOWS For the Year Ended June 30, 2024 (With Summarized Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ (1,947,086)	\$ 3,809,616
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	287,241	287,285
(Gain) loss on sale of assets	(5,611)	(3,517)
Other noncash items	-	24,818
(Increase) decrease in:		
Accounts receivable	132,219	28,364
Grants receivable	(100,000)	-
Prepaid expenses	(7,304)	(6,768)
Right of Use Assets	9,587	-
Increase (decrease) in:		
Accounts payable	(220,451)	200,000
Deferred Revenue	(14,440)	70,995
Other accrued liabilities	-	(24,761)
Lease obligations	<u>(9,587)</u>	<u>-</u>
Net cash used by operating activities	<u>(1,875,432)</u>	<u>4,395,032</u>
Cash Flows from Investing Activities:		
Purchase of building improvements	<u>-</u>	<u>(25,048)</u>
Net cash (used in) provided by investing activities	<u>-</u>	<u>(25,048)</u>
Cash Flows from Financing Activities:		
Proceeds from debt borrowings	30,301	1,284
Principal payments on long-term debt	<u>(68,273)</u>	<u>(111,754)</u>
Net cash (used in) financing activities	<u>(37,972)</u>	<u>(110,470)</u>
Net (decrease) increase in cash and cash equivalents	<u>(1,913,404)</u>	<u>4,259,514</u>
Cash and cash equivalents - beginning of year	<u>6,009,231</u>	<u>1,749,717</u>
Cash and cash equivalents - end of year	<u>\$ 4,095,827</u>	<u>\$ 6,009,231</u>
Supplemental Disclosures:		
Interest paid	<u>68,395</u>	<u>78,420</u>
Noncash items:		
Operating lease right to use	9,587	24,818
Operating lease obligation	<u>\$ (9,587)</u>	<u>\$ (24,818)</u>

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

# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

### **Note 1 – Nature of Activities and Summary of Significant Accounting Policies**

#### Nature of Activities

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

#### Principles of Accounting

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

#### Basic of Presentation

The League and its subsidiary 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

June 30, 2024

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 2021, 2022 and 2023 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, 2024 and 2023, 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

June 30, 2024

Depreciation is computed using the straight-line basis over the useful lives of assets as follows:

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

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

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

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

### Cash and Cash Equivalents

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

### Reclassifications

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

### Principles of Consolidation

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

### Use of Restricted Resources

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

### Functional Allocation of Expenses

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

The expenses that are allocated include the following:

## URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

<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, 2024, the League had no cash equivalents.

#### Financial Statement Presentation

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

#### Presentation of Financial Statements

The League's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit Guide for Not-for-Profit Organizations" (the Guide) update No. 2016-14. ASC 958-205 was effective 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.

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

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

## URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

#### Measure of Operations

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

#### Fair Value of Financial Instruments

The estimated fair value of all significant financial statement amounts 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.

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# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

### 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 \$88,826 with no cumulative-effect adjustment to the opening balance of net assets.

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## URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

#### 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*.

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.

# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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 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.

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# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

### Note 3 – Land, Building and Equipment

As of June 30, 2024 and 2023, the League held the following fixed assets:

	<u>2024</u>	<u>2023</u>
Non-depreciable assets:		
Land (contributed)	<u>\$1,105,500</u>	<u>\$ 1,105,500</u>
Total non-depreciable assets	<u>1,105,500</u>	<u>1,105,500</u>
Depreciable assets:		
Building and building improvements/funds	7,761,009	7,761,009
Furniture and equipment	<u>311,689</u>	<u>311,689</u>
Total depreciable assets	8,072,698	8,072,698
Less: accumulated depreciation	<u>3,251,638</u>	<u>2,964,397</u>
Total depreciable assets, net	<u>4,821,060</u>	<u>5,108,301</u>
 Totals	 <u><u>\$5,926,560</u></u>	 <u><u>\$ 6,213,801</u></u>

Depreciation expense for the years ended June 30, 2024 and 2023 amounted to \$287,241 and \$287,285, respectively.

At June 30, 2024 and 2023, 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 \$1,788,784 and \$1,897,056, respectively. Under the terms of the grant agreements, the assets, or any proceeds from their sales, revert to the funding source if they cease to be used for the assigned programs.

### 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, 2024 is \$41,994.

# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

### Note 5 – Long Term Debt

A Summary of long-term debts as of June 30, 2024 and 2023, as is following:

	<u>2024</u>	<u>2023</u>
Adjustable daily floor interest rate of 4.50 percent and a ceiling interest rate of 6.50 percent on a ten (10) year, two (2) million note payable to a bank with monthly principal and interest payments of \$13,500, based upon a seven (7) year amortization with a balloon payment due at maturity	\$1,040,068	\$ 1,108,341
Total long-term debt	1,040,068	1,108,341
Less: Current maturities	<u>(70,231)</u>	<u>(68,275)</u>
Total Long-term debt, net	<u>\$ 969,837</u>	<u>\$ 1,040,066</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	<u>\$ 969,837</u>
	<u>\$ 969,837</u>

### Note 6 – Revolving Lines of Credit

At June 30, 2024 and 2023, the League has two revolving lines of credit (12.500% and 13.625%) payable to two financial institutions on demand with an aggregate unpaid balance of \$47,902 and \$17,601, respectively. The lines of credit are secured by real estate. The maximum credit/capacity is available when the LOC balance is zero. The credit limits are \$50,000 for Whitney and \$100,000 for Capital one.

### 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 employee's contributions to the plan. Matching contribution expenses during the years ended June 30, 2024 and 2023 were \$56,437 and \$57,592, respectively.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2024

### **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 extent the lease term.

Maturities of lease liabilities as of June 30, 2024 were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 48,331
2026	17,556
2027	10,058
2028	<u>3,294</u>
Total minimum future rental payments	<u>\$ 79,239</u>

### **Note 9 – Net Assets Released Restrictions**

Net assets were released from donor restrictions during the years ended June 30, 2024 and 2023 by incurring expenses satisfying the purpose and time restrictions as follows:

	<u>2024</u>	<u>2023</u>
Educational activities - general - United Way City of New Orleans (Office of Gun Violence Prevention)	\$ -	\$ 18,779
2022 Gala funders	-	416,666
Other - Programmatic funders	<u>406,824</u>	<u>2,390,952</u>
Totals	<u>\$ 406,824</u>	<u>\$ 2,867,397</u>

### **Note – 10 Net Assets with Donor Restrictions**

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

# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

	2024	2023
Education and Youth Empowerment	\$ 250,000	\$ -
Parent Information Center/Awareness	113,428	397,179
Kresge Foundation	-	96,501
Perpetuity	54,966	49,475
Economic & Community Development	298,604	198,604
Education and Youth Empowerment	193,681	220,253
	<u>\$ 910,679</u>	<u>\$ 962,012</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	4,095,827
Due from Funding Agencies	871,295
Investments	3,656
Total financial assets	<u>\$ 4,970,778</u>
<b>Less:</b>	
Receivables Due in Period Beyond One Year	(100,000)
Endowment investments(Restricted in Perpetuity)	<u>(54,966)</u>
Total Financial Assets Available Within One Year	<u>\$ 4,815,812</u>

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

### Note 12 – Contributions and Costs Recognized

As a condition of certain grants received by the League, the League must provide a portion of the costs of the programs. To satisfy these conditions, the funding agencies will accept contributions

# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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.

Federal grant activities at June 30, 2024 and 2023 are summarized as follow:

	2024	2023
Grant receipts:		
Direct awards	\$ 34,976	\$ 156,250
Pass-throughs	<u>1,691,716</u>	<u>1,428,053</u>
Total receipts	<u><u>\$1,726,692</u></u>	<u><u>\$ 1,584,303</u></u>
Grant expenditures:		
Non-capital	<u>\$1,726,692</u>	<u>\$ 1,625,033</u>
Total expenditures	<u><u>\$1,726,692</u></u>	<u><u>\$ 1,625,033</u></u>

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

### Note 14 – Risk Management

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

### Note 15 - Promised to Give

As of June 30, 2024 and 2023, promises to give represent support from private companies and individuals related to general operating expenses and other restricted purposes totaling \$0 and \$0, respectively. The amounts are deemed collectible and available from the following sources in less than one (1) year.



# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

### Note 16 – Due from Funding Agencies

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

	2024	2023
National Urban League	\$ 264,638	\$ 301,622
Private companies	182,480	-
State of Louisiana	160,099	160,400
Local Governmental entities	-	43,609
U. S. Small Business Administration	164,363	293,036
U. S. Department of Education	157,163	204,847
	<u>\$ 928,743</u>	<u>\$ 1,003,514</u>

Receivables from various funding agencies are stated at the amount management expects to collect from outstanding balances for grants awarded and/or services performed under various contracts during the 2024 and 2023 fiscal years. All amounts are considered collectible. The League does not assess finance charges on receivables due. Accounts receivable in the amount of \$129,669 and \$217,317 were written-off in 2024 and 2023 respectively.

### Note 17 – Deferred revenue

As of June 30, 2024 and 2023, deferred revenue consisted of the following:

	2024	2023
Program liability (CNPP, pass through)	\$ -	\$ 40,731
Program advances	56,555	30,264
Total	<u>\$ 56,555</u>	<u>\$ 70,995</u>

### Note 18 – Concentration of Credit Risk

The League maintains cash balances at three (3) financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 on interest bearing accounts and non-interest-bearing accounts. The League has cash balances on deposit with one (1) of the institutions at June 30, 2024 that exceeded the balances insured by the FDIC in the amounts of \$4,181,055.

# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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

### **Note 19 - Board Compensation**

The Board of Directors of the League is a voluntary board; therefore, no compensation was paid to any board member during the years ended June 30, 2024.

### **Note 20 – Fair Value Measurements**

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

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

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

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

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

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

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

# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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, 2024 and 2023.

		Fair Value Measuring Using: Quoted Prices in Active Markets for Identical (Level 2)
<u>2024</u>	<u>Fair Value</u>	<u>(Level 2)</u>
Endowment fund	\$ 54,966	\$ 54,966
		Fair Value Measuring Using: Quoted Prices in Active Markets for Identical (Level 2)
<u>2023</u>	<u>Fair Value</u>	<u>(Level 2)</u>
Endowment fund	\$ 49,475	\$ 49,475

### **Note 21 – Financial Instruments**

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

The estimated fair values of the League's financial instruments as of June 30, 2024 and 2023 are as follows:

# URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

	Carrying Amount	Fair Value
<u>June 30 2024</u>		
Cash and cash equivalents	\$4,075,565	\$ 4,075,565
Short-term investment	3,656	3,536
Endowment fund	54,966	54,966
Revolving lines of credit	47,902	47,902
Long-term debt	967,837	967,837
<u>June 30 2023</u>		
Cash and cash equivalents	\$6,009,231	\$ 6,009,231
Short-term investment	3,536	3,536
Endowment fund	49,375	49,375
Revolving lines of credit	17,601	17,601
Long-term debt	1,040,066	1,040,066

### Note 22 -Subsequent Events

The League is required to evaluate events or transactions that may occur after the Statement of Financial Position date for potential recognition and/or disclosure in the accompanying financial statements. The League performed such an evaluation through December 23, 2024, the date on which the accompanying financial statements were available to be issued, and noted no subsequent events or transactions that occurred requiring recognition and/or disclosure.

## **Supplementary Information**

URBAN LEAGUE OF LOUISIANA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2024

<i>Award Information</i>	<i>AL/other #</i>	<i>Pass-Through Entity Name</i>	<i>Pass-Through Entity #</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures (\$)</i>
<b><i>Head Start Cluster-Cluster</i></b>					
Department of Health and Human Services					
Head Start					
Head Start	93.600	Total Community Action		\$ -	\$ 634,627
Total Head Start				-	634,627
<i>Total Department of Health and Human Services</i>				-	634,627
<b><i>Total Head Start Cluster-Cluster</i></b>				-	634,627
<b><i>Other Programs (Treated individually for major program determination)</i></b>					
United States Department of Agriculture					
Child and Adult Care Food Program					
Child and Adult Care Food Program	10.558	LA State Department of Education		-	48,022
Total Child and Adult Care Food Program				-	48,022
<i>Total United States Department of Agriculture</i>				-	48,022
Department of Labor					
WIOA Pilots, Demonstrations, and Research Projects					
WIOA Pilots, Demonstrations, and Research Projects	17.261	National Urban League		-	143,383
Total WIOA Pilots, Demonstrations, and Research Projects				-	143,383
Reentry Employment Opportunities					
Reentry Employment Opportunities	17.270	National Urban League		-	236,390
Total Reentry Employment Opportunities				-	236,390
Apprenticeship USA Grants					
Apprenticeship USA Grants	17.285	National Urban League		-	187,257
Total Apprenticeship USA Grants				-	187,257
<i>Total Department of Labor</i>				-	567,030
Small Business Administration					
Women's Business Ownership Assistance					
Women's Business Ownership Assistance	59.043			-	34,976
Total Women's Business Ownership Assistance				-	34,976
Community Navigator Pilot Program					
Community Navigator Pilot Program	59.077	National Urban League		-	174,908
Total Community Navigator Pilot Program				-	174,908
<i>Total Small Business Administration</i>				-	209,884
Department of Education					
Twenty-First Century Community Learning Centers					
Twenty-First Century Community Learning Centers	84.287	LA State Department of Education		-	209,681
Total Twenty-First Century Community Learning Centers				-	209,681
<i>Total Department of Education</i>				-	209,681
<b><i>Total Other Programs (Treated individually for major program determination)</i></b>				-	1,034,617
<b><i>Total Expenditures of Federal Awards</i></b>				\$ -	\$ 1,669,244

The accompanying notes are an integral part of this schedule.

## **URBAN LEAGUE OF LOUISIANA, INC.**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year ending June 30, 2024

#### **Note 1 – Basis of Presentation**

The accompanying of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Urban League of Louisiana, Inc. under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements for *Title 2 of U.S. Federal Regulations Part 200, Uniform Requirements, Cost Principles, and Requirements for Federal Awards (Uniform Guidance)*. The amounts presented in or used in the preparation of the financial statements.

#### **Note 2 – Summary of Significant Accounting Policies**

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

#### **Note 3 – Indirect Cost Rule**

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

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

**SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM**  
For The Year Ended June 30, 2024

		<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	\$ 1,669,244	\$ -	\$ -	\$ -	\$ -	\$ 1,669,244	\$ 776,914	\$ 892,330
State, local and other grants	-	-	-	-	-	-	-	-
Board generated self-support	1,007,475	-	807,475	380,000	427,475	200,000	200,000	-
Client generated self-support	2,682,978	-	396,681	357,271	39,410	2,286,297	1,546,268	740,029
Interest income	168,162	-	168,162	168,162	-	-	-	-
Other revenue	<u>129,026</u>	<u>89,314</u>	<u>39,712</u>	<u>39,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total self-generated revenue	5,656,885	89,314	1,412,030	945,145	466,885	4,155,541	2,523,182	1,632,359
Realized gain on investment	<u>10,131</u>	<u>-</u>	<u>10,131</u>	<u>10,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and realized gain	<u>\$ 5,667,016</u>	<u>\$ 89,314</u>	<u>\$1,422,161</u>	<u>\$ 955,276</u>	<u>\$ 466,885</u>	<u>\$ 4,155,541</u>	<u>\$ 2,523,182</u>	<u>\$ 1,632,359</u>

See the Independent Auditors' Report on Supplementary Information.



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

**SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2024**

		<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>EXPENSES</u></b>								
Compensation expenses	3,362,894	-	900,362	900,362	-	2,462,532	1,057,489	1,405,043
Occupancy expenses	442,119	-	267,480	267,480	-	174,639	43,216	131,423
Professional fees and contracts	1,266,580	-	370,579	239,942	130,637	896,001	461,899	434,102
Food	100,339	-	6,663	6,663	-	93,676	36,168	57,508
Travel and transportation	116,454	-	39,236	38,334	902	77,218	48,900	28,318
Special event expenses	-	-	-	-	-	-	-	-
Gala expenses	241,582	-	184,298	30,956	153,342	57,284	-	57,284
Supplies	196,417	-	25,001	23,795	1,206	171,416	52,729	118,687
Equipment rental	64,323	-	24,330	24,330	-	39,993	6,547	33,446
Printing and copying	28,015	-	7,911	7,911	-	20,104	7,625	12,479
In-kind costs	-	-	-	-	-	-	-	-
Other direct program expenses	1,310,074	-	399,653	288,805	110,848	910,421	522,562	387,859
Bad debt expense	129,669	-	129,669	129,669	-	-	-	-
Interest and Loan Amortization	68,395	65,819	2,576	2,576	-	-	-	-
Total expenses before depreciation	<u>\$ 7,326,861</u>	<u>\$ 65,819</u>	<u>\$ 2,357,758</u>	<u>\$ 1,960,823</u>	<u>\$ 396,935</u>	<u>\$ 4,903,284</u>	<u>\$ 2,237,135</u>	<u>\$ 2,666,149</u>
Net Difference	<u>\$ (1,659,845)</u>	<u>\$ 23,495</u>	<u>\$ (935,597)</u>	<u>\$ (1,005,547)</u>	<u>\$ 69,950</u>	<u>\$ (747,743)</u>	<u>\$ 286,047</u>	<u>\$ (1,033,790)</u>
Depreciation	<u>287,241</u>	<u>284,201</u>	<u>3,040</u>	<u>3,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 7,614,102</u>							
				Total Direct Expenses		4,903,284	2,237,135	2,666,149
				Percent of Total Program Expenses		100%	46%	54%
				Distribution of Support Services Expenses		2,357,758	1,075,733	1,282,025
				Grand Total Program Expenses		<u>\$ 7,261,042</u>	<u>\$ 3,312,868</u>	<u>\$ 3,948,174</u>

See the Independent Auditors' Report on Supplementary Information.

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

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO THE CHIEF EXECUTIVE OFFICER**

For the Year Ended June 30, 2024

Chief Executive Officer Name: Judy Reese Morse

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 200,000
Benefits - insurance	17,397
Benefits - retirement	8,250
Car allowance	4,200
Travel-reimbursement	14,187
Total	<u>\$ 244,034</u>

## **Internal Controls, Compliance, and Other Matters**



**DONALD R. FORD**

**CERTIFIED PUBLIC ACCOUNTANT**  
**A LIMITED LIABILITY COMPANY**  
**MEMBER**

AMERICAN INSTITUTE OF CPAS  
SOCIETY OF LOUISIANA CPAS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

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 consolidated financial statements of Urban League of Louisiana, Inc. and Subsidiary (the League), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 23, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the League's consolidated financial statements are free from 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 our audit, and accordingly, I do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

A handwritten signature in dark ink that reads "Donald R. Ford, CPA LLC". The signature is written in a cursive, flowing style.

Baton Rouge, Louisiana  
December 23, 2024



**DONALD R. FORD**

**CERTIFIED PUBLIC ACCOUNTANT**

**A LIMITED LIABILITY COMPANY**

**MEMBER**

AMERICAN INSTITUTE OF CPAS  
SOCIETY OF LOUISIANA CPAS

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

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

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

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

I have audited Urban League of Louisiana, Inc. and Subsidiary (the League)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the League's major federal programs for the year ended June 30, 2024. The League's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the League's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the League's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the League's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of League's internal control over compliance. Accordingly, no such opinion is expressed.

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 we 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.

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.

### Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



New Orleans, Louisiana  
December 23, 2024



## **Schedule of Findings and Questioned Costs**

URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

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

Identification of major programs:

AL <u>Number</u>	<u>Name of Federal Program or Cluster</u>
59.077	Community Navigator Program
17.270	Reentry Employment Opportunities
17.285	Apprenticeship USA Grants

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

No Separate Management Letter was Issued

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

**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2024**

**Section II - Financial Statement Findings**

There were no findings.

**Section III – Federal Award Findings and Questioned Costs**

There were no findings.

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

**STATUS OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Summary of Prior Year Findings**

There were no findings reported in the prior year.

**Status of Prior Year's Comments to Management**

None were reported in the prior year.