

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

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

**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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## INDEPENDENT AUDITORS' REPORT

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

### **Opinion**

We have audited the accompanying financial statements of **Urban League of Louisiana, Inc. and Subsidiary (the League)**, (a nonprofit organization) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our 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, 2022 and 2021, and the consolidated results of operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

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

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**Urban League of Louisiana, Inc. and Subsidiary**  
New Orleans, Louisiana  
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**Auditors' Responsibilities for the Audits of the Financial Statements**

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

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

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

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**Urban League of Louisiana, Inc. and Subsidiary**  
New Orleans, Louisiana  
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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements of **the League** as a whole. The accompanying financial information listed as supplementary information in the table of contents, 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 as a whole.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**Urban League of Louisiana, Inc. and Subsidiary**  
New Orleans, Louisiana  
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**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022 on our consideration of **the League's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **the League's** internal control over financial reporting and compliance.

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

December 30, 2022

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2022 AND 2021**

**ASSETS**

	<u>2022</u>	<u>2021</u>
Assets:		
Cash and cash equivalents (NOTE 1)	\$ 1,749,717	\$ 1,778,502
Short-term investments	3,530	3,527
Due from funding agencies (NOTE 16)	1,031,878	1,034,230
Prepaid expenses and other assets	57,297	39,933
Promises to give (NOTE 15)	9,000	56,635
Right of Use Asset	113,644	-
Land, building and equipment, net (NOTES 1 and 3)	6,476,038	6,727,809
Endowment fund (NOTES 10 and 20)	<u>45,964</u>	<u>50,386</u>
Total assets	<u>\$ 9,487,068</u>	<u>\$ 9,691,022</u>

**LIABILITIES AND NET ASSETS**

Liabilities:		
Current portion of long-term debt (NOTE 4)	\$ 86,936	\$ 171,014
Accounts payable	270,131	167,368
Accrued liabilities	125,050	70,327
Revolving lines of credit (NOTE 5)	16,317	24,817
Long-term debt, net (NOTE 4)	1,108,295	1,152,940
Lease Obligations	<u>113,644</u>	<u>-</u>
Total liabilities	<u>1,720,373</u>	<u>1,586,466</u>
Net assets (NOTE 1):		
Without donor restrictions	4,770,797	5,256,812
With donor restrictions (NOTE 10)	<u>2,995,898</u>	<u>2,847,744</u>
Total net assets	<u>7,766,695</u>	<u>8,104,556</u>
Total liabilities and net assets	<u>\$ 9,487,068</u>	<u>\$ 9,691,022</u>

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

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

	For the Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>REVENUES AND PUBLIC SUPPORT</u></b>			
Revenues and public support:			
Federal grants	\$ 1,366,662	\$ -	\$ 1,366,662
State and local grants	11,120	568,000	579,120
Board-generated self support	372,100	41,000	413,100
Client-generated self support	1,440,214	1,870,817	3,311,031
In-kind	200	-	200
Interest income	335	-	335
Other revenue	306,088	-	306,088
Net assets released from restrictions:			
Satisfaction of purpose and time restrictions (NOTE 9)	2,327,241	(2,327,241)	-
Total revenues and public support	5,823,960	152,576	5,976,536
<b><u>EXPENSES</u></b>			
Program services: (SCHEDULE IV)			
Economic development	2,601,352	-	2,601,352
Education and social justice	2,168,249	-	2,168,249
Total program services	4,769,601	-	4,769,601
Support services:			
Management and general	1,453,937	-	1,453,937
Resource development	86,437	-	86,437
Total support services	1,540,374	-	1,540,374
Total expenses	6,309,975	-	6,309,975
Realized gain on investments	-	(4,422)	(4,422)
Changes in net assets	(486,015)	148,154	(337,861)
Net assets, beginning of year	5,256,812	2,847,744	8,104,556
Net assets, end of year	\$ 4,770,797	\$ 2,995,898	\$ 7,766,695

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

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

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

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

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022			2021		
	Agency Total	Total Support Services	Total Program Services	Agency Total	Total Support Services	Total Program Services
<b><u>EXPENSES</u></b>						
Compensation expenses	\$ 3,404,051	\$ 696,882	\$ 2,707,169	\$ 3,352,763	\$ 759,830	\$ 2,592,933
Occupancy expenses	336,144	136,673	199,471	487,477	226,354	261,123
Professional fees and contracts	877,224	60,174	817,050	577,651	75,173	502,478
Food	20,827	240	20,587	12,227	2,259	9,968
Travel and transportation	38,484	20,464	18,020	26,248	21,991	4,257
Special event expenses	102,876	58,761	44,115	101,007	76,160	24,847
Supplies	246,092	20,151	225,941	97,341	47,016	50,325
Equipment rental	34,572	7,902	26,670	37,924	11,471	26,453
Printing and copying	11,116	547	10,569	33,285	7,782	25,503
Other direct program expenses	891,687	191,678	700,009	645,109	71,560	573,549
Bad debt	-	-	-	42,375	11,018	31,357
Interest	60,505	60,505	-	82,605	82,605	-
Depreciation	<u>286,397</u>	<u>286,397</u>	<u>-</u>	<u>283,052</u>	<u>283,052</u>	<u>-</u>
<b>Total Expenses</b>	<b>\$ <u>6,309,975</u></b>	<b>\$ <u>1,540,374</u></b>	<b>\$ <u>4,769,601</u></b>	<b>\$ <u>5,779,064</u></b>	<b>\$ <u>1,676,271</u></b>	<b>\$ <u>4,102,793</u></b>

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

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ (337,861)	\$ 1,634,088
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	286,397	283,052
Bad debt expenses	-	42,375
Realized gain on investments	(3)	(1,201)
Changes in assets and liabilities:		
Prepaid expenses	(17,364)	(15,727)
Right of use of Assets	(113,644)	-
Promises to give	47,635	47,063
Due from funding agencies	2,352	(550,878)
Endowment fund	4,422	(10,113)
Accounts payable	102,763	(125,223)
Accrued liabilities	<u>54,723</u>	<u>4,294</u>
Net cash provided by operating activities	<u>29,420</u>	<u>1,307,730</u>
Cash Flows from Investing Activities:		
Change in short term investments	-	(730)
Purchase of building improvements	(34,626)	-
Proceeds from sale of building	<u>-</u>	<u>9,208</u>
Net cash (used in) provided by investing activities	<u>(34,626)</u>	<u>8,478</u>
Cash Flows from Financing Activities:		
Payments on line of credit	-	(350,581)
Proceeds from long-term debt/line of credit	(8,500)	-
Forgiveness of PPP loan	-	(377,655)
Lease obligation	113,644	-
Principal payments on long-term debt	<u>(128,723)</u>	<u>(132,260)</u>
Net cash (used in) financing activities	<u>(23,579)</u>	<u>(860,496)</u>
Net (decrease) increase in cash and cash equivalents	(28,785)	455,712
Cash and cash equivalents - beginning of year	<u>1,778,502</u>	<u>1,322,790</u>
Cash and cash equivalents - end of year	<u>\$ 1,749,717</u>	<u>\$ 1,778,502</u>
Supplemental Disclosures:		
Interest paid	<u>\$ 60,505</u>	<u>\$ 82,717</u>
Noncash items:		
Operating lease right to use	113,644	-
Operating lease obligation	<u>(113,644)</u>	<u>-</u>

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

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

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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 provides basic education to eligible participants that reside in the New Orleans area.

Basis of Accounting

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

Basis of Presentation

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

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

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

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

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

Donated Materials and Services

Donated materials and supplies, which are utilized in several of **the League's** programs, are recorded at their estimated fair value when received.

Donated services provided by volunteers, which require specialized skills and are provided by individuals possessing those skills, are recognized at their fair value when received. Those services donated by volunteers which do not meet all of the applicable requirements of FASB ASC 958-605 are not recognized in the consolidated financial statements.

Use of Estimates

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

Allocation of Functional Expenses

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

Federal Income Taxes

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

**The League** files as a tax-exempt organization. Should that status be challenged in the future, **the League's** 2020, 2021 and 2022 tax years are open for examination by the IRS.

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

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

Allowance for Bad Debt

The League uses the allowance method to provide for uncollectible accounts. At June 30, 2022 and 2021, there were no allowances, respectively. Uncollectible amounts have been historically insignificant.

Land, Building and Equipment

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

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

Cash and Cash Equivalents

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

Reclassifications

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

Principles of Consolidation

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

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

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**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, 2022 and 2021, **the League** held the following fixed assets:

	2022	2021
Non-depreciable assets:		
Land (contributed)	\$ 1,105,500	\$ 1,105,500
Total non-depreciable assets	1,105,500	1,105,500
Depreciable assets:		
Building and building improvements/funds	7,735,961	7,699,411
Vehicles	-	50,965
Furniture and equipment	311,689	311,689
Total depreciable assets	8,047,650	8,062,065
Less: accumulated depreciation	2,677,112	2,439,756
Total depreciable assets, net	5,370,538	5,622,309
Total land, building and equipment, net	\$ 6,476,038	\$ 6,727,809

Depreciation expense for the years ended June 30, 2022 and 2021 amounted to \$286,397 and \$283,052, respectively.

At June 30, 2022 and 2021, building and building improvements included funds received under grants from U.S. Department of Health and Human Services and U.S. Department of Housing and Urban Development with book values of \$2,005,328 and \$2,113,600, respectively. Under the terms of the grant agreements, the assets, or any proceeds from their sales, revert to the funding source if they cease to be used for the assigned programs.

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

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**NOTE 4 - LONG-TERM DEBT:**

A summary of long-term debt as of June 30, 2022 and 2021 is as follows:

	2022	2021
Adjustable interest rate of 5.25 percent (minimum) two (2) year, \$25,785 loan payable to a bank with quarterly principal and interest payments of \$7,500, maturing on March 30, 2022.	\$ -	\$ 25,784
Adjustable daily floor interest rate of 4.50 percent and a ceiling interest rate of 6.50 percent on a ten (10) year, two (2) million note payable to a bank with monthly principal and interest payments of \$13,500, based upon a twenty-five (25) year amortization with a balloon payment due at maturity.	\$ 1,195,231	\$ 1,298,170
Total long-term debt	1,195,231	1,323,954
Less: Current maturities	(86,936)	(171,014)
Total long-term debt, net	\$ 1,108,295	\$ 1,152,940

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

Year Ending June 30,	Amount
2023	\$ 86,936
2024	92,249
2025	97,807
2026	103,589
2027	109,631
2028 and thereafter	705,019
	\$ 1,195,231

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

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**NOTE 5 - REVOLVING LINES OF CREDIT:**

At June 30, 2022 and 2021, **the League** has two (2) 5.25 percent and 7.50 percent revolving lines of credit payable to two (2) banks due on demand with an aggregate unpaid balances of \$16,317 and \$24,817, respectively. The lines of credit are secured by real estate with zero balances of available capacities.

**NOTE 6 - PENSION PLAN:**

**The League** sponsors a defined contribution pension plan. Under the plan, **the League** matches up to five (5) percent of the employee's contributions to the plan. Matching contribution expenses during the years ended June 30, 2022 and 2021 were \$60,064 and \$66,822, respectively.

**NOTE 7 - OPERATING LEASE RIGHT OF USE:**

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

Maturities of lease liabilities as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 41,491
2024	38,480
2025	31,237
2026	<u>2,436</u>
Total minimum future rental payments	<u>\$ 113,644</u>

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

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**NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS:**

Net assets were released from donor restrictions during the years ended June 30, 2022 and 2021 by incurring expenses satisfying the purpose and time restrictions as follows:

	Amounts	
	2022	2021
Educational activities - general - United Way	\$ 37,600	\$ 51,936
COVID activities – United Way	-	114,869
City of New Orleans (Office of Gun Violence Prevention)	650,402	577,530
2020 Gala Funders	40,000	143,000
Other- Programmatic Funders	1,599,239	320,620
Total	\$ 2,327,241	\$ 1,207,955

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS:**

As of June 30, 2022 and 2021, net assets with donor restrictions consist of the following:

	2022	2021
City of New Orleans (Office of Gun Violence Prevention)	\$ 416,666	\$ 499,068
W.K. Kellogg	338,451	425,286
Greater New Orleans Foundation	137,680	121,600
Baptist Community Ministries	57,978	-
AARP	-	20,000
Walton Family Foundation, Inc.	700,886	723,327
Kresge Foundation	92,766	79,217
United Way of SELA	18,779	56,379
Richard West Freeman Foundation (Endowment Fund)	45,964	50,386
SBA	-	108,930
JP Morgan Chase	-	34,606
Humana	27,357	42,118
Google	70,432	89,007
OXFAM	-	45,000
EBR Microgrant Programs	-	60,189

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

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS, CONTINUED:**

EBR Treasury Program	\$	-	\$ 243,239
NUL Programming		87,089	209,392
Shell Disaster Relief		69,121	-
JP Morgan-Economic & Comm Devel		16,431	-
Wells Fargo		476,117	-
Markle Foundation		73,400	-
Community Foundation fot GT At-Vote Your Voice		31,849	-
W.K. Kellog-Racial Equity		125,639	-
Wilson Foundation		18,292	-
Entergy Grant		150,000	-
Gala Sponsors		41,000	40,000
Total		<u>\$ 2,995,898</u>	<u>\$ 2,847,744</u>

**NOTE 10 - 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.

	2022	2021
Financial assets at year end	\$ 3,011,030	\$ 2,872,895
Less those unavailable for general expenses within one year due to donor-restriction for service projects	(2,995,898)	(2,847,697)
Financial assets available to meet cash needs for general purpose within one year	\$ 15,132	\$ 25,198

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 CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 11 - 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 12 - GRANTS FROM GOVERNMENTAL AGENCIES:**

**The League** has contracted with several governmental agencies to provide community and family services, and employment and economic development programs. Under the contracts, the governmental agencies reimburse **the League** based upon **the League's** allowable costs to provide the services to program beneficiaries.

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

Federal grant activities at June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Grant Receipts:		
Direct Awards	\$ 203,072	\$ 251,067
Pass-throughs	1,163,590	1,010,942
Total receipts	<u>\$ 1,366,662</u>	<u>\$ 1,262,009</u>
Grant Expenditures:		
Non-capital	\$ 1,366,662	\$ 1,262,009
Total expenditures	<u>\$ 1,366,662</u>	<u>\$ 1,262,009</u>

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

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**NOTE 13 - 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 14 - PROMISES TO GIVE:**

As of June 30, 2022 and 2021, promises to give represent support from private companies and individuals related to general operating expenses and other restricted purposes totaling \$9,000 and \$56,635, respectively. The amounts are deemed collectible and available from the following sources in less than one (1) year:

	2022	2021
Private companies and individuals	\$ 9,000	\$ -
United Way Services funding for the next fiscal year	-	56,635
Total	\$ 9,000	\$ 56,635

**NOTE 15 - DUE FROM FUNDING AGENCIES:**

As of June 30, 2022 and 2021, due from funding agencies consisted of the following:

	2022	2021
National Urban League	\$ 327,074	\$ 334,393
Private Companies	134,889	146,067
State of Louisiana	109,316	94,669
Local Governmental Entities	60,079	66,269
National Institutes of Health	-	12,500
U.S. Small Business Administration	136,786	160,778
U.S. Department of Education	263,734	214,836
U.S. Department of Agriculture	-	4,718
Total due from funding agencies	\$ 1,031,878	\$ 1,034,230

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

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**NOTE 15 - DUE FROM FUNDING AGENCIES, CONTINUED:**

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 2022 and 2021 fiscal years. All amounts are considered collectible. **The League** does not assess finance charges on receivables due. There were no bad debts for the 2022 and 2021 fiscal years.

**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, 2022 that exceeded the balances insured by the FDIC in the amounts of \$952,922.

**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 - SUBSEQUENT EVENTS:**

**The League** is required to evaluate events or transactions that may occur after the consolidated statements of financial position date for potential recognition or disclosure in the consolidated financial statements. **The League** performed such an evaluation through December 30, 2022, the date which the consolidated financial statements were available to be issued. As a result of the spread of the Coronavirus (COVID-19) pandemic, economic uncertainties have arisen which are likely to negatively impact the funding of **the League**. Other financial impact could occur though such potential impact is unknown at this time.

**NOTE 18 - 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, 2022 and 2021.

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

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**NOTE 19 - 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 CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED**

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NOTE 19 - FAIR VALUE MEASUREMENTS, CONTINUED:

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 2022 and 2021.

		Fair Value Measuring Using: Quoted Prices in Active Markets for Identical (Level 2)
<u>2022</u>	<u>Fair Value</u>	
Endowment fund	\$ <u>45,964</u>	\$ <u>45,964</u>
<u>2021</u>	<u>Fair Value</u>	Fair Value Measuring Using: Quoted Prices in Active Markets for Identical (Level 2)
Endowment fund	\$ <u>50,386</u>	\$ <u>50,386</u>

NOTE 20 - 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, 2022 and 2021 are as follows:

	Carrying Amount	Fair Value
<u>June 30, 2022</u>		
Cash and cash equivalents	\$ 1,749,717	\$ 1,749,717
Short-term investment	3,530	3,530
Endowment fund	45,964	45,964
Revolving lines of credit	16,317	16,317
Long-term debt	1,195,231	1,195,231

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

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NOTE 20 - FINANCIAL INSTRUMENTS, CONTINUED:

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

NOTE 21 - PAYCHECK PROTECTION PROGRAM:

**The League** obtained a U.S. Small Business Administration guaranteed loan under the Paycheck Protection Program (PPP) from a financial institution in the amount of \$377,655. The note covers the period from April 20, 2020 through April 28, 2022 with one (1) percent interest. The PPP is necessary to support the ongoing operations of **the League** during the COVID-19 pandemic. **The League's** payments on the note are deferred for a period of twenty-four (24) months from the date of the note; however, interest continues to accrue from the date of the note until the note is paid in full at the maturity date. The repayment begins after the deferment period. The note is subject to an expected forgivable portion. The amount of loan forgiveness shall not exceed the principal amount of the loan and is subject to SBA Rules and Regulations consistent with the PPP Rules. On January 12, 2022 **the League** received notice that the loan was fully forgiven by SBA including the insignificant accrued interest as of June 30, 2022. The forgivable amount was identified as an unconditional contribution in the consolidated statement of activities for the year ended June 30, 2021.

**SUPPLEMENTRY INFORMATION**

**URBAN LEAGUE OF LOUISIANA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE</u>	<u>GRANT/ CONTRACT NUMBER</u>	<u>FEDERAL ALN NUMBER</u>	<u>FEDERAL ACTIVITY</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed-through State of Louisiana, Department of Education: Child and Adult Care Food Program	27-041	10.558	\$ <u>17,616</u>
Total U.S. Department of Agriculture			<u>17,616</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed-through State of Louisiana, Department of Education: Twenty-First Century Community Learning Centers	CFMS 677740	84.287	<u>199,202</u>
Total U.S. Department of Education			<u>199,202</u>
<b>U.S. SMALL BUSINESS ADMINISTRATION</b>			
Direct Award:			
Women's Business Ownership Assistance - CORE	SBAHQ-11-W0040	59.043	103,917
Women's Business Ownership Assistance - CARES		59.043	<u>99,155</u>
Total Direct Awards			<u>203,072</u>
Passed-through National Urban League: SBA Community Pilot Program		59.077	<u>17,000</u>
Total U.S. Small Business Administration			<u>220,072</u>

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

**URBAN LEAGUE OF LOUISIANA, INC.**  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	GRANT/ CONTRACT NUMBER	FEDERAL ALN NUMBER	FEDERAL ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed-through Total Community Action:			
Head Start - Early Head Start (Parent Child Center)	06CH0473	93.600	\$ <u>557,270</u>
Total U.S. Department of Health and Human Services			<u>557,270</u>
U.S. Department of Housing & Urban Development			
Passed through City of Baton Rouge – Parish			
Baton Rouge Office of Community Development:			
Community Development Block Grants/Entitlement			
Grants - Coronavirus Aid Relief, and Economic			
Security Act (CARES) Act			
			14.218 <u>126,938</u>
Total U.S. Department of Housing & Urban Development			<u>126,938</u>

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

**URBAN LEAGUE OF LOUISIANA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	GRANT/ CONTRACT NUMBER	FEDERAL ALN NUMBER	FEDERAL ACTIVITY
U.S. Department of Labor Passed through National Urban League: Reentry Employment Opportunities - Youth Adult Re- Entry Program (YARP)		17.270	\$ <u>245,564</u>
Total U.S. Department of Housing & Urban Development			<u>245,564</u>
Total Expenditures of Federal Awards			\$ <u>1,366,662</u>

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

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

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<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	\$ 1,366,662	\$ -	\$ -	\$ -	\$ -	\$ 1,366,662	\$ 592,574	\$ 774,088
State, local and other grants	579,120	-	-	-	-	579,120	579,120	-
Board generated self-support	413,100	-	238,100	-	238,100	175,000	85,000	90,000
Client generated self-support	3,311,031	-	129,130	94,131	34,999	3,181,901	1,607,122	1,574,779
Interest income	335	-	335	335	-	-	-	-
Realized gain on investment	(4,317)	-	(4,317)	(4,317)	-	-	-	-
Unconditional contribution	200	-	200	200	-	-	-	-
Other revenue	305,983	194,527	111,456	111,456	-	-	-	-
Total self-generated revenue	<u>5,972,114</u>	<u>194,527</u>	<u>474,904</u>	<u>201,805</u>	<u>273,099</u>	<u>5,302,683</u>	<u>2,863,816</u>	<u>2,438,867</u>
Grand total revenue	<u>5,972,114</u>	<u>194,527</u>	<u>474,904</u>	<u>201,805</u>	<u>273,099</u>	<u>5,302,683</u>	<u>2,863,816</u>	<u>2,438,867</u>

See Independent Auditors' Report on Supplementary Information.

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	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>EXPENSES</b>								
Compensation expenses	\$ 3,404,051	\$	696,882	\$ 696,882	\$ -	\$ 2,707,169	\$ 1,485,215	\$ 1,221,954
Occupancy expenses	336,144		136,673	136,673	-	199,471	106,906	92,565
Professional fees and contracts	877,224		60,174	60,174	-	817,050	390,057	426,993
Food	20,827		240	240	-	20,587	2,554	18,033
Travel and transportation	38,484		20,464	20,464	-	18,020	8,504	9,516
Supplies	246,093		20,152	19,390	762	225,941	24,274	201,667
Equipment rental	34,572		7,902	7,902	-	26,670	14,466	12,204
Printing and copying	11,116		547	547	-	10,569	5,793	4,776
Other direct program expenses	891,687		191,678	163,560	28,118	700,009	549,975	150,034
Gala/Special events	102,876		58,761	1,204	57,557	44,115	13,608	30,507
Interest and loan amortization	60,505	57,845	2,660	2,660	-	-	-	-
Total expenses before depreciation	6,023,578	57,845	1,196,132	1,109,695	86,437	4,769,601	2,601,352	2,168,249
Net Difference	\$ (51,464)	\$ 136,682	\$ (721,227)	\$ (907,890)	\$ 186,662	\$ 533,082	\$ 262,464	\$ 270,618
Depreciation	\$ 286,397	\$ 282,919	\$ 3,478	\$ 3,478	\$ -	\$ -	\$ -	\$ -
				Total Direct Expenses		\$ 4,769,601	\$ 2,601,352	\$ 2,168,249
				Percent of Total Program Expenses		100%	55%	45%
				Distribution of Support Services Expenses		1,196,132	652,373	543,759
				Grand Total Program Expenses		\$ 5,965,733	\$ 3,253,725	\$ 2,712,008

See Independent Auditors' Report on Supplementary Information.

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO THE CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED JUNE 30, 2022**

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**Chief Executive Officer Name: Mrs. Judy Reese Morse**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 165,000
Benefits – insurance	21,197
Benefits – retirement	8,250
Car allowance	4,200
Travel – local	549
Total	<u>\$ 199,196</u>

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE IV**

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**SCHEDULE OF CONSOLIDATED FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	SUPPORT SERVICES				PROGRAM SERVICES		
	Agency Total	Total Support Services	Management and General	Resource Development	Total Program Services	Economic Development	Education and Social Justice
<b>EXPENSES</b>							
Compensation expenses	\$ 3,404,051	\$ 696,882	\$ 696,882	\$ -	\$ 2,707,169	\$ 1,485,215	\$ 1,221,954
Occupancy expenses	336,144	136,673	136,673	-	199,471	106,906	92,565
Professional fees and contracts	877,224	60,174	60,174	-	817,050	390,057	426,993
Food	20,827	240	240	-	20,587	2,554	18,033
Travel and transportation	38,484	20,464	20,464	-	18,020	8,504	9,516
Supplies	246,093	20,152	19,390	762	225,941	24,274	201,667
Equipment rental	34,572	7,902	7,902	-	26,670	14,466	12,204
Printing and copying	11,116	547	547	-	10,569	5,793	4,776
Other direct program expenses	891,687	191,678	163,560	28,118	700,009	549,975	150,034
Gala/Special events	102,876	58,761	1,204	57,557	44,115	13,608	30,507
Interest and loan amortization	60,505	60,505	60,505	-	-	-	-
Depreciation	286,397	286,397	286,397	-	-	-	-
Total expenses	\$ 6,309,975	\$ 1,540,374	\$ 1,453,937	\$ 86,437	\$ 4,769,601	\$ 2,601,352	\$ 2,168,249

See the Independent Auditors' Report on Supplementary Information.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of the **Urban League of Louisiana, Inc. and Subsidiary (the League)** (a nonprofit corporation), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 30, 2022.

**Report On Internal Control Over Financial Reporting**

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

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

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

**Internal Control Over Financial Reporting, Continued**

Our consideration of internal control 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report On Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **the League's** consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

**Purpose of this Report**

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

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

December 30, 2022

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

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

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

**Opinion on Each Major Federal Program**

We have audited the **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, 2022. **The League's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **the League** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

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

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

We are required to be independent of **the League** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **the 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 League's** requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to **the League's** federal programs.

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

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

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

**Auditors' Responsibilities for the Audit of Compliance, Continued**

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 **the League's** internal control over compliance. Accordingly, no such opinion is expressed.

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

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

**Report on Internal Control over Compliance**

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

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

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

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

**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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

December 30, 2022

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

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**Section I - Summary of Independent Auditors' Results**

*Financial Statements*

Type of auditors' report issued:

**Unmodified**

Internal Control Over Financial Reporting:

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

\_\_\_\_\_ yes      X   no

\_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes      X   no

Management letter comments

\_\_\_\_\_ yes      X   no

*Federal Awards*

Internal Control Over Major Programs:

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

\_\_\_\_\_ yes      X   no

\_\_\_\_\_ yes      X   none reported

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

**Unmodified**

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Section I - Summary of Independent Auditors' Results, Continued**

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

\_\_\_ yes    X no

Identification of major programs:

ALN Number

Name of Federal Program

84.287

Twenty-First Century  
Community Learning Center

59.043

Women Business Ownership  
Assistance

17.270

Reentry Employment  
Opportunities – Youth Adult  
Re-Entry Program

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

\$ 750,000

Auditee qualified as low-risk auditee:

X yes    \_\_\_ no

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Section II - Financial Statement Findings**

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

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Section III - Federal Awards Findings and Questioned Costs**

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

**URBAN LEAGUE OF LOUISIANA, INC. AND SUBSIDIARY**  
**STATUS OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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There were no findings reported in the prior year.

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

None reported in prior year

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

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

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

Mr. Victor G. Robinson, CPA	Chairman of Audit Committee
Mrs. Judy Reese Morse	President and Chief Executive Officer
Ms. Cynthia Harris	Director, Financial Operator
Mr. Bruce McLean, CPA	External Accountant

**BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Joseph A. Akanji, CPA	Engagement Partner
Mr. JohnPaul Ogbuokiri, CPA	Engagement Manager (In-charge)
Mr. Matthew Gibson	Engagement Senior

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Urban League of Louisiana and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021, through June 30, 2022. The Non-Profit's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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

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

***We performed the above procedures and noted no exceptions.***

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

***We performed the above procedures and noted no exceptions.***

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

***We performed the above procedures and noted no exceptions.***

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

***We performed the above procedures and noted no exceptions.***

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the procedures above and noted the following exceptions:*

*The Non-Profit had a policy on contracts, but we note no legal review on the policy*

*Response: We believe it is not reasonable for a Lawyer to review all our issued small contract with 1099 vendors*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedure and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

#### ***Board or Finance Committee***

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

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

#### ***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:

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

*We performed the procedures above and No Exceptions noted.*

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

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and noted no exceptions.*

### ***Collections***

---

- 4) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are segregated at each collection location such that:

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

- 7) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- e. Observe that receipts are sequentially pre-numbered.  
*We performed the procedure above and noted no exceptions.*
  - f. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
*We performed the procedure above and noted no exceptions.*
  - g. Trace the deposit slip total to the actual deposit per the bank statement.  
*We performed the procedure above and noted no exceptions.*
  - h. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).  
*We performed the procedure above and noted no exceptions.*
  - i. Trace the actual deposit per the bank statement to the general ledger.  
*We performed the procedure above and noted no exceptions.*

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

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- 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
- 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:
  - j. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
*We performed the procedure above and noted no exceptions.*
  - k. At least two employees are involved in processing and approving payments to vendors.  
*We performed the procedure above and noted no exceptions.*
  - l. The employee responsible for processing payments is prohibited from adding/ modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.  
*We performed the procedure above and noted no exceptions.*

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

***We performed the procedure above and noted no exceptions.***

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

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the procedure above and noted no exceptions.***

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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

***We performed the procedure above and noted no exceptions.***

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

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the procedures above and noted the following exceptions:***

***The Non-Profit had late fees charged to their credit card based on our review.***

***Response: We'll put this on auto-pay***

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

*We performed the procedure above and noted no exceptions.*

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

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

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

*We performed the above procedures and noted no exceptions.*

- s. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identified precisely what was purchased.

*We performed the above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

## ***Contracts***

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

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

***We performed the procedures above and noted no exceptions.***

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the procedure above and noted no exceptions.***

## ***Payroll and Personnel***

---

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

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

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the procedure above and noted no exceptions.***

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

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedures above and no exceptions.*

### ***Ethics***

---

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

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

*We performed the procedures above and noted the following exceptions:*

*The Non-Profit has no documentation that demonstrates each employee has completed one hour of ethics training during the fiscal period.*

*Response: We will implement ethics training in our updated policies and procedures.*

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

*We performed the procedures above and noted the following exceptions:*

*The Non-Profit has no documentation of officials being notified of changes to ethics policy during the period.*

*Response: We will implement ethics notification in our updated policies and procedures*

### ***Debt Service***

---

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the procedure above and noted no exceptions.***

### ***Fraud Notice***

---

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

***We performed the procedure above and noted no exceptions.***

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

***We performed the procedure above and noted no exceptions.***

### ***Information Technology Disaster Recovery/Business Continuity***

---

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

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

***We performed the procedures above and noted no exceptions.***

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

***We performed the above procedures and noted no exceptions.***

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

*We performed the procedure above and noted no exceptions.*

### ***Sexual Harassment***

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

*We performed the procedure above and noted no exceptions.*

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

*We performed the procedures above and noted the following exceptions:*

*The Non-Profit did no sexual harassment training.*

*Response: We will update our website to reflect this*

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

*We performed the procedures and noted that there was no sexual harassment report available for our review.*

*Response: We will update our policy to reflect sexual harassment report for each fiscal year*

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

*None*

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

*None*

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

*None*

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

*None*

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

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

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

***Bruno & Tervalon, LLP***

**Jackson, Ms.**

**December 31, 2022**