

**EISNERAMPER**

**THE URBAN LEAGUE OF PHILADELPHIA**

**CONSOLIDATED FINANCIAL STATEMENTS**

***WITH REPORTING REQUIREMENTS FOR  
UNIFORM GUIDANCE***

**JUNE 30, 2021 and 2020  
(with supplementary information)**



# THE URBAN LEAGUE OF PHILADELPHIA

## Contents

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Consolidated Financial Statements</b>	
Statements of financial position as of June 30, 2021 and 2020	3
Statements of activities and changes in net assets for the years ended June 30, 2021 and 2020	4
Statements of functional expenses for the years ended June 30, 2021 and 2020	5
Statements of cash flows for the years ended June 30, 2021 and 2020	7
Notes to consolidated financial statements	8
<b>Supplementary Information for U.S. Office of Management and Budget Uniform Guidance</b>	
Schedule of expenditures of federal, state and city awards for the year ended June 30, 2021	19
Notes to schedule of expenditures of federal, state and city awards	21
<b>Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of consolidated financial statements performed in accordance with <i>Government Auditing Standards</i></b>	22
<b>Independent auditors' report on compliance for the major federal program and report on internal control over compliance required by Uniform Guidance and the City of Philadelphia <i>Subrecipient Audit Guide</i></b>	24
Schedule of findings and questioned costs for the year ended June 30, 2021	26

# THE URBAN LEAGUE OF PHILADELPHIA

## Contents (continued)

### Page

#### **Supplementary Information**

#### **City of Philadelphia, Division of Housing and Community Development (DHCD) Statements and Schedules**

##### **Contract Number 21-20376**

Schedule of source and status of funds for the period from July 1, 2020 to June 30, 2021	27
Schedule of program expenditures for the year ended June 30, 2021	28
Schedule of program income for the period from July 1, 2020 to June 30, 2021	29
Reconciliation schedule for the period from July 1, 2020 to June 30, 2021	30

#### **City of Philadelphia, Department of Commerce Statements and Schedules**

##### **Contract Number 21-20235**

Schedule of source and status of funds for the period from July 1, 2020 to June 30, 2021	31
Schedule of program expenditures for the year ended June 30, 2021	32
Reconciliation schedule for the period from July 1, 2020 to June 30, 2021	33

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Urban League of Philadelphia

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Urban League of Philadelphia, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for each of the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the City of Philadelphia *Subrecipient Audit Guide* (the "Guide"). Those standards and the Guide require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC provide professional services.

EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

## **Opinion**

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

## **Other Matters**

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal, state and city awards shown on pages 19 and 20 is presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and is not a required part of the financial statements. The accompanying City of Philadelphia, Division of Housing and Community Development ("DHCD") and Department of Commerce schedules of source and status of funds, schedules of program expenditures, schedules of program income and reconciliation schedules shown on pages 27 to 33 are presented for purposes of additional analysis as required by the City of Philadelphia *Subrecipient Audit Guide* and are also not a required part of the consolidated financial statements. The above-described supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the above-described information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, on our consideration of The Urban League of Philadelphia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Urban League of Philadelphia's internal control over financial reporting and compliance.



EISNERAMPER LLP  
Philadelphia, Pennsylvania  
December 17, 2021



# THE URBAN LEAGUE OF PHILADELPHIA

## Consolidated Statements of Financial Position

	June 30,	
	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 4,045,003	\$ 2,355,435
Contributions receivable, net of allowance for doubtful accounts of \$3,178 in 2021 and 2020	16,641	66,355
Grants receivable	1,116,391	346,736
Prepaid expense and other assets	<u>46,495</u>	<u>65,217</u>
Total current assets	5,224,530	2,833,743
Security deposits	9,640	25,136
Property and equipment, net of accumulated depreciation	<u>3,367</u>	<u>4,713</u>
	<u><b>\$ 5,237,537</b></u>	<u><b>\$ 2,863,592</b></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accrued expenses	\$ 186,000	\$ 175,834
Refundable advance	<u>126,000</u>	<u>55,159</u>
Total liabilities	<u>312,000</u>	<u>230,993</u>
Commitments		
<b>NET ASSETS</b>		
Without donor restrictions	3,646,964	2,535,852
With donor restrictions	<u>1,278,573</u>	<u>96,747</u>
Total net assets	<u>4,925,537</u>	<u>2,632,599</u>
	<u><b>\$ 5,237,537</b></u>	<u><b>\$ 2,863,592</b></u>

# THE URBAN LEAGUE OF PHILADELPHIA

## Consolidated Statements of Activities and Changes in Net Assets

	Year Ended June 30,					
	2021			2020		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Public support and revenue:</b>						
Grants	\$ 4,754,081	\$ 365,191	\$ 5,119,272	\$ 2,938,880	\$ -	\$ 2,938,880
Contributions	414,621	1,643,342	2,057,963	630,685	124,203	754,888
Special events, net of cost of direct benefit to donors of \$2,528 in 2021 and \$55,105 in 2020	440,906	-	440,906	439,463	-	439,463
Interest income	298	-	298	1,330	-	1,330
Other revenues	28,842	-	28,842	17,584	-	17,584
	<b>5,638,748</b>	<b>2,008,533</b>	<b>7,647,281</b>	4,027,942	124,203	4,152,145
<b>Net assets released from restrictions</b>	<b>826,707</b>	<b>(826,707)</b>	<b>-</b>	85,550	(85,550)	-
	<b>6,465,455</b>	<b>1,181,826</b>	<b>7,647,281</b>	4,113,492	38,653	4,152,145
<b>Expenses:</b>						
Program services:						
Advocacy and policy	2,755,470	-	2,755,470	595,866	-	595,866
Business and talent diversity	1,133,619	-	1,133,619	759,188	-	759,188
Community and economic development	833,504	-	833,504	854,909	-	854,909
Support services	631,750	-	631,750	950,922	-	950,922
	<b>5,354,343</b>	<b>-</b>	<b>5,354,343</b>	3,160,885	-	3,160,885
<b>Change in net assets</b>	<b>1,111,112</b>	<b>1,181,826</b>	<b>2,292,938</b>	952,607	38,653	991,260
Net assets at beginning of year	2,535,852	96,747	2,632,599	1,583,245	58,094	1,641,339
<b>Net assets at end of year</b>	<b>\$ 3,646,964</b>	<b>\$1,278,573</b>	<b>\$ 4,925,537</b>	<b>\$ 2,535,852</b>	<b>\$ 96,747</b>	<b>\$ 2,632,599</b>

See notes to consolidated financial statements

THE URBAN LEAGUE OF PHILADELPHIA

Consolidated Statement of Functional Expenses  
Year Ended June 30, 2021

	Program Services			Support Services				
	Advocacy and Policy	Business and Talent Diversity	Community and Economic Development	Total Program Services	Fund Development	Management Services	Total Support Services	Total Expenses
Salaries	\$ 387,209	\$ 334,395	\$ 443,686	\$ 1,165,290	\$ -	\$215,583	\$ 215,583	\$ 1,380,873
Benefits and taxes	75,820	75,352	120,104	271,276	-	32,879	32,879	304,155
Professional services	1,983,783	332,792	91,565	2,408,140	-	196,974	196,974	2,605,114
Meals, travel and meetings	8,506	9,920	196	18,622	-	18,339	18,339	36,961
Office	10,867	1,277	1,023	13,167	-	502	502	13,669
Expendable equipment	6,291	40,244	9,687	56,222	-	34,972	34,972	91,194
Occupancy	24,957	33,531	54,142	112,630	-	68,693	68,693	181,323
Utilities	3,345	4,569	7,005	14,919	-	11,811	11,811	26,730
Insurance	-	-	-	-	-	33,689	33,689	33,689
Bank and payroll fees	1,153	1,469	20	2,642	771	14,176	14,947	17,589
Scholarships	111,175	-	-	111,175	-	-	-	111,175
Client support	-	268,286	20,604	288,890	-	-	-	288,890
Other	142,364	30,438	85,472	258,274	700	2,661	3,361	261,635
<b>Total expenses before depreciation</b>	<b>2,755,470</b>	<b>1,132,273</b>	<b>833,504</b>	<b>4,721,247</b>	<b>1,471</b>	<b>630,279</b>	<b>631,750</b>	<b>5,352,997</b>
Depreciation	-	1,346	-	1,346	-	-	-	1,346
<b>Total expenses included in expenses section on the consolidated statement of activities and changes in net assets</b>	<b>2,755,470</b>	<b>1,133,619</b>	<b>833,504</b>	<b>4,722,593</b>	<b>1,471</b>	<b>630,279</b>	<b>631,750</b>	<b>5,354,343</b>
<b>Plus expenses included with revenue on the consolidated statement of activities and changes in net assets</b>								
Special events - cost of direct benefit to donors:								
Food and beverages	-	-	-	-	1,418	-	1,418	1,418
Awards	-	-	-	-	1,110	-	1,110	1,110
	-	-	-	-	2,528	-	2,528	2,528
<b>Total expenses</b>	<b>\$2,755,470</b>	<b>\$ 1,133,619</b>	<b>\$ 833,504</b>	<b>\$ 4,722,593</b>	<b>\$ 3,999</b>	<b>\$630,279</b>	<b>\$ 634,278</b>	<b>\$ 5,356,871</b>

See notes to consolidated financial statements

THE URBAN LEAGUE OF PHILADELPHIA

Consolidated Statement of Functional Expenses  
Year Ended June 30, 2020

	Program Services			Support Services			Total Expenses	
	Advocacy and Policy	Business and Talent Diversity	Community and Economic Development	Total Program Services	Fund Development	Management Services		Total Support Services
Salaries	\$ 188,662	\$ 347,622	\$ 479,793	\$ 1,016,077	\$ -	\$ 251,777	\$ 251,777	\$ 1,267,854
Benefits and taxes	33,425	61,047	109,639	204,111	-	107,856	107,856	311,967
Professional services	217,104	112,659	85,158	414,921	8,100	388,963	397,063	811,984
Meals, travel and meetings	4,681	558	2,980	8,219	-	21,099	21,099	29,318
Office	6,202	813	3,142	10,157	855	8,157	9,012	19,169
Expendable equipment	4,168	31,384	12,222	47,774	6,495	40,742	47,237	95,011
Dues and memberships	760	750	-	1,510	-	16,381	16,381	17,891
Advertising	-	2,000	2,000	4,000	-	650	650	4,650
Occupancy	25,440	32,073	100,048	157,561	-	49,058	49,058	206,619
Utilities	3,645	4,863	7,893	16,401	-	11,234	11,234	27,635
Insurance	-	-	-	-	-	23,065	23,065	23,065
Bank and payroll fees	852	1,523	1,430	3,805	1,123	12,262	13,385	17,190
Scholarships	85,550	-	-	85,550	-	-	-	85,550
Client support	-	122,395	9,400	131,795	-	-	-	131,795
Other	25,377	40,155	41,204	106,736	911	2,194	3,105	109,841
<b>Total expenses before depreciation</b>	<b>595,866</b>	<b>757,842</b>	<b>854,909</b>	<b>2,208,617</b>	<b>17,484</b>	<b>933,438</b>	<b>950,922</b>	<b>3,159,539</b>
Depreciation	-	1,346	-	1,346	-	-	-	1,346
<b>Total expenses included in expenses section on the consolidated statement of activities and changes in net assets</b>	<b>595,866</b>	<b>759,188</b>	<b>854,909</b>	<b>2,209,963</b>	<b>17,484</b>	<b>933,438</b>	<b>950,922</b>	<b>3,160,885</b>
<b>Plus expenses included with revenue on the consolidated statement of activities and changes in net assets</b>								
Special events - cost of direct benefits to donors:								
Food and beverages	-	-	-	-	48,927	-	48,927	48,927
Rent and facility costs	-	-	-	-	5,735	-	5,735	5,735
Awards	-	-	-	-	443	-	443	443
	-	-	-	-	55,105	-	55,105	55,105
<b>Total expenses</b>	<b>\$ 595,866</b>	<b>\$ 759,188</b>	<b>\$ 854,909</b>	<b>\$ 2,209,963</b>	<b>\$ 72,589</b>	<b>\$ 933,438</b>	<b>\$ 1,006,027</b>	<b>\$ 3,215,990</b>

See notes to consolidated financial statements

# THE URBAN LEAGUE OF PHILADELPHIA

## Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
<b>Cash flows from operating activities:</b>		
Change in net assets	<b>\$ 2,292,938</b>	\$ 991,260
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	<b>1,346</b>	1,346
Bad debt expense	<b>860</b>	860
Change in assets and liabilities:		
Contributions receivable	<b>48,854</b>	(10,167)
Grants receivable	<b>(769,655)</b>	(5,683)
Prepaid expense and other assets	<b>18,722</b>	(9,626)
Security deposits	<b>15,496</b>	-
Accounts payable	-	(284,962)
Accrued expenses	<b>10,166</b>	(453,430)
Due to others	-	(3,502,591)
Refundable advance	<b>70,841</b>	(37,976)
Net cash provided by (used in) operating activities	<b>1,689,568</b>	(3,310,969)
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	-	(6,059)
<b>Net increase (decrease) in cash</b>	<b>1,689,568</b>	(3,317,028)
Cash at beginning of year	<b>2,355,435</b>	5,672,463
<b>Cash at end of year</b>	<b>\$ 4,045,003</b>	\$ 2,355,435

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Consolidated Financial Statements June 30, 2021 and 2020

### NOTE A - ORGANIZATION AND DESCRIPTION OF PROGRAMS AND PRINCIPLES OF CONSOLIDATION

#### [1] Organization:

The Urban League of Philadelphia (the “League”) is a nonpartisan, nonprofit community service organization using the tools and methods of social work, economics, law, and other disciplines to secure equal opportunity in all sectors of society for African Americans and other people of color.

Effective March 2, 2021, the League entered into a partnership with ULP Community Impact Financing LLC (the “Company”). The purpose of this agreement is to assist in providing housing and small business loans to African Americans and other people of color. Management of the League has determined that consolidation of the Company is required since the League exhibits a controlling financial interest in the Company based on the League having a 100% ownership in the Company. The entity was not yet active as of June 30, 2021.

The consolidated financial statements include the accounts of the League and the Company (collectively, the “Organization”). All significant intercompany accounts, transactions, and balances have been eliminated in the consolidation process.

#### [2] Description of programs:

##### ***Advocacy and Policy***

*The State of Black Philadelphia* is a publication created by The Urban League of Philadelphia. It is a comprehensive look at the persistent disparities that exist between black and white Philadelphians in the five areas of economics, health, education, civic engagement, and social justice.

The Urban League Guild (the “Guild”) provides a host of volunteers for special engagements and helps to support the League through annual fundraisers. Among many community service projects, those that provide assistance to abused children are the Guild’s primary focus.

The Network of Extraordinary Talent (“NEXt”) is a network of young professionals who provide leadership development, economic empowerment, and community volunteer opportunities for other young professionals. The Organization trains, develops, and educates young professionals to take leadership roles within the civil rights movement and society at large. Members of NEXt are defining, developing, implementing and leading the next generation’s civil rights agenda.

##### ***Business and Talent Diversity***

Through its employment services, the League empowers African Americans and others to connect with self-sustaining employment opportunities via training opportunities, links to employers, or other employment services.

The Urban Leadership Forum is Philadelphia’s first leadership development program for people of color. It is designed to identify and train minority leaders and establish a forum for promoting effective leadership in all sectors of society. Participants must successfully manage a community service project team process, a key component of the Urban Leadership Forum design.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Consolidated Financial Statements June 30, 2021 and 2020

### NOTE A - ORGANIZATION AND DESCRIPTION OF PROGRAMS AND PRINCIPLES OF CONSOLIDATION (CONTINUED)

#### [2] Description of programs: (continued)

##### *Community and Economic Development*

Housing counseling is provided to individuals who seek assistance for prepurchase counseling, fair-housing rights information, lending practices, money management, credit repair, budgeting, real estate selection, and relief from foreclosures and predatory lending. The League also assists renters with tenant rights. Escrow counseling is available for clients living in substandard housing with licensing and inspection violations. Recognized as one of the City of Philadelphia's 30 endorsed housing agencies, the League conducts advocacy on behalf of low-income families and makes referrals to all government programs.

The financial literacy program focuses on educating individuals on how to manage their finances responsibly. This program is tailored to both youth and adults.

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### [1] Basis of presentation:

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### [2] Classification of net assets:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

*Net Assets With Donor Restrictions* - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are met with the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### [3] Use of estimates:

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Consolidated Financial Statements June 30, 2021 and 2020

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [4] Revenue recognition – contributions:

Funding for the Organization's activities is achieved almost entirely through government funding, foundation, corporate and other support, contributions, and in-kind contributions, including unconditional promises to give. These donations provide funding to be used to support the mission of the Organization. As the donors are not receiving a benefit as a result of these transactions, the donations are considered to be contributions to the Organization. Some contributions require that funds be expended for a specific purpose, and are considered to be net assets with donor restrictions.

The Organization recognizes unconditional contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. As of June 30, 2021 and 2020, there were conditional contributions of \$67,500 and \$6,375 respectively, which are included in refundable advances on the consolidated statements of financial position.

Special events revenue is bifurcated into an exchange transaction component and a contribution component. The exchange transaction component is considered to be the fair market value benefits received by an attendee. The transaction price is the fair market value which is estimated by management for each event based on an analysis of the benefits received by the attendee. The contribution component is considered to be the amount over and above the fair market value for which the attendee does not receive commensurate value. Revenue is recognized at the point in time when the event takes place as that is when the Organization's sole obligation to perform is satisfied and when the barriers are overcome. Payments for special events are generally required to be made when registration for the event occurs or sponsorships are made. All special events revenue is included under public support revenue as management has determined that the split between fair market value and contribution is not material. As of June 30, 2021 and 2020, there were conditional contributions associated with special events of \$58,500 and \$4,750, respectively, which are included in refundable advances on the consolidated statements of financial position.

A portion of the grants the Organization receives are cost reimbursement government grants. These grants provide funding to be used for purposes indicated in the grant agreements. As the government is not receiving a benefit as a result of these transactions, the grants are considered to be contributions to the Organization. The grant agreements contain specific service requirements. As these stipulations create a barrier that must be achieved, and any amounts not expended must be returned, government grants are considered to be conditional contributions until such time as the barriers are overcome. Contributions from these grant agreements are therefore recognized as revenue when costs are incurred and specific service requirements are met, as required by the agreements. Until the financial information required by the funding sources is accepted, costs billed for program services under cost reimbursement contracts are subject to review and possible disallowance. In management's opinion, the potential for material disallowances is remote and, therefore, is not a barrier that would prevent the recognition of revenue. The Organization received no funds in advance of service requirements being met as of either June 30, 2021 or 2020. Conditional amounts of \$63,441 and \$50,000 were not yet recognized on government grants in progress as of June 30, 2021 or 2020, respectively.

## THE URBAN LEAGUE OF PHILADELPHIA

### Notes to Consolidated Financial Statements June 30, 2021 and 2020

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [4] Revenue recognition – contributions: (continued)

On February 22, 2021 and April 18, 2020, the Organization received conditional grants from the U.S. Small Business Administration (the "SBA") as part of the Paycheck Protection Program ("PPP") in the amount of \$316,407 and \$374,500, respectively. The funding is conditional on the Organization using the funds to cover qualified expenditures. Contributions from these agreements are therefore recognized as revenue when costs are incurred and specific service requirements are met, as required by the agreement. For the years ended June 30, 2021 and 2020, \$365,191 and \$325,716, respectively, of the grants were used for qualified expenditures, including payroll, rent, and utilities, and thus was recognized as grants and fees revenue on the consolidated statements of activities and changes in net assets. Management believes that these costs meet the conditions of the grant and will ultimately be approved by the SBA, and the potential for material disallowances is remote and, therefore, is not a barrier that would prevent the recognition of revenue. As of June 30, 2020, conditional amounts of \$48,784 were included in refundable advances and will be recognized as the conditions are met. On December 21, 2020, the Organization was notified that both the SBA and the bank forgave the initial conditional grant received on April 18, 2020 in full.

##### [5] Allowance for doubtful accounts:

The Organization evaluates its receivables for contributions and grants and fees on a periodic basis to determine collectability. Bad debts are provided for on the allowance method based on history of past write-offs and collections. Accounts are written off when they are deemed uncollectable. As of both June 30, 2021 and 2020, the Organization had an allowance for doubtful accounts of \$3,178 related to contributions receivable. As of both June 30, June 30, 2021 and 2020, the Organization had an allowance for doubtful accounts of \$-0- related to grants and fees receivable.

##### [6] Property and equipment:

Purchased property and equipment over \$1,000 are capitalized at cost and depreciated using the straight-line method over their estimated useful lives of three to seven years. Donated property and equipment are capitalized at fair value on the date of donation and depreciated using the straight-line method over their estimated useful lives. Repair and maintenance costs are charged to current operations. At the time property and equipment are retired or disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss on disposition is credited or charged to change in net assets.

##### [7] Refundable advance:

Refundable advance consists of advances received for special events that have not yet taken place, certain refundable advances, and unused funds from the PPP grant.

##### [8] Paycheck Protection Program:

The Organization received PPP loans under the Coronavirus Aid, Relief and Economic Security Act ("CARES" Act). The Organization has elected to account for the PPP loans as conditional contributions under Accounting Standards Update ("ASU") 2018-08. The loan agreements include provisions for loan forgiveness based on measurable performance barriers related to staffing and salary levels and qualifying expenditures. Any amounts not forgiven will be required to be repaid. PPP funds will be recognized as contribution income as the conditions on which they depend are substantially met.

## THE URBAN LEAGUE OF PHILADELPHIA

### Notes to Consolidated Financial Statements June 30, 2021 and 2020

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [9] Federal tax status:

The Internal Revenue Service has classified the Organization as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code"). The consolidated entity, ULP Community Impact Financing LLC, is a for-profit entity which is subject to income taxes. Total federal and state income tax expense from the consolidated entity was \$-0- for each of the years ended June 30, 2021 and 2020. As an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code. Therefore, no provision for income taxes has been included in these consolidated financial statements.

U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability, if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements.

The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for either of the years ended June 30, 2021 or 2020.

##### [10] Functional allocation of expense:

Directly identifiable expenses are charged to program services and support services. The Organization's management's policy is to allocate the indirect expenses of administrative support to certain programs based on revenues, headcount, or space utilization, depending on the nature of the expense.

Support services include the administrative costs of supporting the Organization's programs, as well as fundraising costs.

##### [11] Upcoming accounting pronouncement:

In February 2016, Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases (Topic 842)*. The ASU's core principle is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the consolidated statement of financial position and disclosing key information. ASU 2016-02 will be effective for fiscal years beginning after December 15, 2021, with early adoption permitted. Management is currently evaluating the effect that this new guidance will have on its consolidated financial statements and related disclosures.

In September 2020, FASB issued ASU 2020-07 (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. Under the new standard's requirements, gifts-in-kind are to be presented as a separate line item, instead of remaining grouped among contributions of cash or other financial assets, on the statement of activities and changes in net assets. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021. The ASU does allow for early adoption. Management is currently evaluating the effect that this new guidance will have on its financial statements and related disclosures.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Consolidated Financial Statements June 30, 2021 and 2020

### NOTE C - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following as of June 30, 2021 and 2020:

	June 30,	
	<u>2021</u>	<u>2020</u>
Current financial assets:		
Cash	<b>\$4,045,003</b>	\$ 2,355,435
Accounts receivable	<b>16,641</b>	66,355
Grants and fees receivable	<b>1,116,391</b>	346,736
	<b><u>\$ 5,178,035</u></b>	<b><u>\$ 2,768,526</u></b>

General expenditures include program services expenses and supporting services expenses expected to be paid in the subsequent year. As part of the Organization's liquidity management plan, the Organization structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

### NOTE D - CONTRIBUTIONS RECEIVABLE

Contributions receivable are expected to be received in less than one year. Contributions receivable as of June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Corporate support	\$ -	\$ 43,500
United Way Donor Option, net of allowance for doubtful accounts of \$3,718 in both 2021 and 2020	<b>16,641</b>	22,855
	<b><u>\$ 16,641</u></b>	<b><u>\$ 66,355</u></b>

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Consolidated Financial Statements June 30, 2021 and 2020

### NOTE E - GRANTS RECEIVABLE

Grants receivable as of June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
School District of Philadelphia	\$ -	\$ 100,000
Division of Housing and Community Development, City of Philadelphia	<b>106,678</b>	43,438
National Urban League/U.S. Department of Housing and Urban Development	-	50,606
National Urban League/ULEC	<b>72,600</b>	31,000
United Way	<b>12,500</b>	6,250
The City of Philadelphia/BTAP	<b>26,772</b>	6,587
Cheyney University - PA Dept of Education	<b>53,400</b>	-
Aramark	<b>66,000</b>	65,000
William Penn Foundation	<b>695,000</b>	-
Homeowners' Emergency Mortgage Assistance Program and Pennsylvania Housing Finance Agency	-	23,855
City of Philadelphia, Department of Commerce Urban Tech Jobs Program	<b>63,411</b>	-
United Way - Philadelphia African American Leadership Development Forum	<b>20,000</b>	20,000
	<b><u>\$ 1,116,361</u></b>	<b><u>\$ 346,736</u></b>

### NOTE F - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Furniture, fixtures and equipment	<b>\$ 85,766</b>	\$ 85,766
Software	<b>19,284</b>	19,284
	<b>105,050</b>	105,050
Less accumulated depreciation	<b>101,683</b>	100,337
	<b><u>\$ 3,367</u></b>	<b><u>\$ 4,713</u></b>

Depreciation for each of the years ended June 30, 2021 and 2020 was \$1,346.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Consolidated Financial Statements June 30, 2021 and 2020

### NOTE G - REFUNDABLE ADVANCE

Refundable advance as of June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Grants	\$ 67,500	\$ 6,375
Special events	58,500	4,750
Paycheck Protection Program	-	48,784
	<u>\$ 126,000</u>	<u>\$ 59,909</u>

### NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or period as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
<b>Subject to expenditures for specified purposes:</b>		
Scholarships	\$ 81,821	\$ 96,747
Urban Tech programs	43,282	-
Outreach, education, and support through BlackHomePHL	150,000	-
Education advocacy	<u>308,470</u>	<u>-</u>
	583,573	96,747
Promises to give, the proceeds of which have been restricted by donor for:		
Education advocacy	<u>695,000</u>	<u>-</u>
	<u>\$ 1,278,573</u>	<u>\$ 96,747</u>

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
<b>Satisfaction of purpose restrictions:</b>		
Scholarships	\$ 110,401	\$ 85,550
Urban Tech programs	319,585	-
Education advocacy	31,530	-
Qualified expenses within covered period related to PPP	<u>365,191</u>	<u>-</u>
	<u>\$ 826,707</u>	<u>\$ 85,550</u>

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Consolidated Financial Statements June 30, 2021 and 2020

### NOTE I - TAX DEFERRED ANNUITY PLAN

In accordance with Internal Revenue Code Section 403(b), the Organization sponsors an employer contributory tax deferred annuity plan that covers substantially all employees who have completed 1,000 hours of service. The plan provides for employer discretionary contributions, which are determined on an annual basis. For the years ended June 30, 2021 and 2020, the annual contribution was \$12,427 and \$10,100, respectively, based on 2% of the employees' annual salaries.

### NOTE J - LEASE COMMITMENTS - OPERATING LEASES

The Organization leases office space in Philadelphia under an operating lease which expires in May 2024. Rent is payable in monthly installments of \$13,696. The Organization also leases office equipment with monthly lease payments of \$1,833; the equipment leases run through October 2023.

Approximate minimum future rental payments under noncancelable operating leases having remaining terms in excess of one year as of June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	
2022	\$ 186,358
2023	186,358
2024	<u>157,994</u>
	<u><u>\$ 530,710</u></u>

Office rent and equipment leasing expense for the years ended June 30, 2021 and 2020 was \$189,060 and \$216,248, respectively.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Consolidated Financial Statements June 30, 2021 and 2020

### NOTE K - GRANTS

Grants and fees during the years ended June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Pennsylvania Department of Public Welfare	\$ -	\$ 154,621
Grants from corporations/foundations	1,711,407	806,953
National Urban League/U.S. Department of Housing and Urban Development	27,795	68,527
National Urban League/Urban Tech Jobs Program	72,545	102,059
National Urban League/Entrepreneurship and Business Development	52,634	83,000
Office of Neighborhood Economic Development	73,239	50,046
Division of Housing and Community Development, City of Philadelphia	325,250	255,250
Homeowners' Emergency Mortgage Assistance Program and Pennsylvania Housing Finance Agency	72,995	49,615
Leadership tuition	290,000	298,630
School District of Philadelphia	205,000	282,916
Paycheck Protection Program	365,191	325,716
Cheyney	53,400	245,000
National Urban League/Project Reinvest	-	297
National Urban League/Equality and Excellence	11,250	13,750
Commonwealth of Pennsylvania - Voting	100,000	-
PA dept of education meals program	1,499,763	-
Pennsylvania Housing Finance Agency/First Time Home Buyers Program	-	200,000
City of Philadelphia - Department of Commerce Urbantech	190,332	-
Other	68,471	2,500
	<u>\$ 5,119,272</u>	<u>\$ 2,938,880</u>

### NOTE L - CONTRIBUTIONS

Contributions during the years ended June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
United Way allocation	\$ 25,000	\$ 25,000
United Way Donor Option	1,389	26,033
Scholarships	95,475	126,703
Foundation support	1,153,470	-
Corporate support	718,694	236,889
Other	63,935	340,263
	<u>\$ 2,057,963</u>	<u>\$ 754,888</u>

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Consolidated Financial Statements June 30, 2021 and 2020

### NOTE M - SPECIAL EVENTS

Special events revenue for the years ended June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Empowerment dinner	\$ 288,654	\$ 326,706
Whitney M. Young Luncheon	141,896	145,254
Guild events	10,198	5,000
NEXT Philadelphia events	165	14,359
ULEC - Procurement Pitch - Capital One	<u>2,521</u>	<u>3,249</u>
	443,434	494,568
Less cost of direct benefit to donors	<u>(2,528)</u>	<u>(55,105)</u>
	<u>\$ 440,906</u>	<u>\$ 439,463</u>

### NOTE N - CONCENTRATIONS OF CREDIT RISK

As of June 30, 2021 and 2020, the Organization maintained cash accounts with a bank that exceeded the limit of insurability under the Federal Deposit Insurance Corporation. The League has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on its cash balances.

### NOTE O - CONTRIBUTED SERVICES

Contribution of services is recognized by the Organization as both revenue and expense in the accompanying consolidated statements of activities and changes in net assets, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. For the years ended June 30, 2021 and 2020, the Organization recognized \$32,000 and \$267,320, respectively, of in-kind contributions. In-kind contributions include legal and consulting fees, which are included in the management services component of support services on the consolidated statements of activities and changes in net assets.

### NOTE P - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 17, 2021, which is the date the consolidated financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION FOR U.S. OFFICE OF  
MANAGEMENT AND BUDGET UNIFORM GUIDANCE**

**THE URBAN LEAGUE OF PHILADELPHIA**

**Schedule of Expenditures of Federal, State and City Awards  
Year Ended June 30, 2021**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Grant Period</u>	<u>Expenditures</u>
<b>FEDERAL AWARDS</b>				
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<b>Philadelphia Workforce Development Corporation:</b>				
<b>City of Philadelphia, Division of Housing and Community Development:</b>				
Community Development Block Grant/Entitlement Grants	14.218	21-20376	07/01/20 - 06/30/21	\$ 256,500
<b>City of Philadelphia, Department of Commerce:</b>				
Community Development Block Grant/Entitlement Grants	14.218	21-20235	07/01/20 - 06/30/21	<u>73,239</u>
<b>Total U.S. Department of Housing and Urban Development</b>				<u>329,739</u>
<b><u>U.S. Department of Labor, Employment and Training Administration</u></b>				
<b>National Urban League:</b>				
H-1B Job Training Grants	17.268	N/A	07/01/20 - 06/30/21	<u>27,795</u>
<b>Total U.S. Department of Labor, Employment and Training Administration</b>				<u>27,795</u>
<b><u>U.S. Department of Education</u></b>				
<b>The School District of Philadelphia:</b>				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	739F/F15	09/25/20 - 09/24/21	<u>205,000</u>
<b>Total U.S. Department of Education</b>				<u>205,000</u>

(continued)

**THE URBAN LEAGUE OF PHILADELPHIA**

**Schedule of Expenditures of Federal, State and City Awards  
Year Ended June 30, 2021**

(continued)	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Grant Period</b>	<b>Expenditures</b>
<u>Grantor/Pass-Through Grantor/Program Title</u>				
<b>FEDERAL AWARDS (continued)</b>				
<b><u>U.S. Department of Agriculture</u></b>				
<b>    <u>Pennsylvania Department of Education:</u></b>				
Summer Food Service Program for Children (SFSP)	10.559	N/A	07/01/20 - 06/30/21	<u>1,499,763</u>
<b>Total U.S. Department of Agriculture</b>				<u>1,499,763</u>
<b>TOTAL FEDERAL AWARDS</b>				<u>2,062,297</u>
<b>STATE AWARDS</b>				
<b>Pennsylvania Housing Finance Agency, Comprehensive Housing Initiative ("CHCI")</b>	N/A	N/A	07/01/20 - 06/30/21	72,995
<b>Commonwealth of Pennsylvania - Voting</b>	N/A	N/A	07/01/20 - 06/30/21	<u>100,000</u>
<b>TOTAL STATE AWARDS</b>				<u>172,995</u>
<b>CITY AWARDS</b>				
<b>City of Philadelphia, Division of Housing and Community Development</b>	N/A	21-20376	07/01/20 - 06/30/21	68,750
<b>City of Philadelphia, Department of Commerce</b>	N/A	N/A	02/01/21 - 10/31/21	<u>190,322</u>
<b>TOTAL CITY AWARDS</b>				<u>259,072</u>
<b>TOTAL FEDERAL, STATE AND CITY AWARDS</b>				<u><u>\$ 2,494,364</u></u>

See notes to schedule of expenditures of federal, state and city awards

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Schedule of Expenditures of Federal, State and City Awards June 30, 2021

### NOTE A - GENERAL INFORMATION

The accompanying schedule of expenditures of federal, state and city awards presents the activities in all federal, state and city award programs of The Urban League of Philadelphia. All awards passed through governmental agencies or nonprofit organizations are presented on the schedule of expenditures of federal, state and city awards. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the City of Philadelphia Subrecipient Audit Guide. Because the schedule presents only a selected portion of the operations of The Urban League of Philadelphia, it is not intended to, and does not, present the financial position, change in net assets or cash flows of The Urban League of Philadelphia.

### NOTE B - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal, state and city awards is presented using the accrual basis of accounting. The amounts reported in this schedule may differ from certain financial reports submitted to federal, state and city funding agencies because those reports are submitted on either a cash or modified cash basis of accounting.

### NOTE C - INDIRECT COST RATE

The Urban League of Philadelphia has elected not to use the 10-percent de minimus indirect cost rate as allowed under Uniform Guidance.

### NOTE D - RELATIONSHIP TO BASIC CONSOLIDATED FINANCIAL STATEMENTS

Federal, state and city award expenditures are reported on the consolidated statements of activities and changes in net assets as expenses. The revenue reported in the basic consolidated financial statements differs from the expenditures reported in the schedule of expenditures of federal, state and city awards due to revenue from other nongovernment-funded programs. The reconciliation of revenues reported in the basic 2021 consolidated financial statements to the expenditures reported in the schedule of expenditures of federal, state and city awards is as follows:

Expenditures per schedule of expenditures of federal, state and city awards	\$ 2,494,364
Grants from nongovernment-funded entities	2,334,908
Fees charged for The Urban League of Philadelphia programs	<u>290,000</u>
Grants and fees revenue per 2021 financial statements	<u><u>\$ 5,119,272</u></u>

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

To the Board of Directors of  
The Urban League of Philadelphia

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 Philadelphia, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, 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 17, 2021.

***Internal Control Over Financial Reporting***

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

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 may exist that have not been identified.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Urban League of Philadelphia'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*EisnerAmper LLP*

EISNERAMPER LLP  
Philadelphia, Pennsylvania  
December 17, 2021



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND THE CITY OF PHILADELPHIA *SUBRECIPIENT AUDIT GUIDE***

To the Board of Directors of  
The Urban League of Philadelphia

### **Report on Compliance for the Major Federal Program**

We have audited The Urban League of Philadelphia's compliance with the types of compliance requirements described in U.S. Office of Management and Budget *Compliance Supplement* and the City of Philadelphia *Subrecipient Audit Guide* that could have a direct and material effect on The Urban League of Philadelphia's major federal program for the year ended June 30, 2021. The Urban League of Philadelphia's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of federal statutes, regulations, and terms and conditions applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for The Urban League of Philadelphia's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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") and the City of Philadelphia *Subrecipient Audit Guide* (the "Guide"). Those standards, Uniform Guidance and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Urban League of Philadelphia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on The Urban League of Philadelphia's compliance.



"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC provide professional services.

EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

## ***Opinion on Compliance for the Major Federal Program***

In our opinion, The Urban League of Philadelphia complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

## **Report on Internal Control Over Compliance**

Management of The Urban League of Philadelphia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered The Urban League of Philadelphia's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance and the City of Philadelphia *Subrecipient Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Urban League of Philadelphia's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



EISNERAMPER LLP  
Philadelphia, Pennsylvania  
December 17, 2021



**THE URBAN LEAGUE OF PHILADELPHIA**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

---

**Section I – Summary of Auditors’ Results**

---

**Financial Statements**

Type of auditors’ report issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
  - Significant deficiency(ies) identified?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditors’ report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR Section 200.516(a)?  Yes  No

Identification of major programs:

<i>Federal Assistance Listing Number</i>	<i>Name of Federal Program or Cluster</i>
10.559	Summer Food Service Program for Children (SFSP)

Dollar threshold used to distinguish  
between type A and type B program: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

---

**Section II – Financial Statement Findings**

---

NONE

---

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

---

NONE

## **SUPPLEMENTARY INFORMATION**

**CITY OF PHILADELPHIA, DIVISION OF HOUSING AND  
COMMUNITY DEVELOPMENT (DHCD)  
STATEMENTS AND SCHEDULES**

**THE URBAN LEAGUE OF PHILADELPHIA**

City of Philadelphia, Division of Housing and Community Development  
 Contract Number 21-20376  
 Schedule of Source and Status of Funds  
 July 1, 2020 to June 30, 2021

	<u>CDBG *</u> <u>Funds</u>	<u>Program</u> <u>Income</u>	<u>Other</u> <u>City</u> <u>Funds</u>	<u>NonCity</u> <u>Funds</u>	<u>Total</u>
<b>Total contract (Final Authorized Budget)</b>	\$ 256,500	\$ -	\$ 68,750	\$ -	\$ 325,250
<b>Less:</b>					
Funds drawn down, prior fiscal years	-	-	-	-	-
Funds drawn down, current fiscal year	<u>256,500</u>	<u>-</u>	<u>68,750</u>	<u>-</u>	<u>325,250</u>
<b>Total funds drawn down</b>	<u>256,500</u>	<u>-</u>	<u>68,750</u>	<u>-</u>	<u>325,250</u>
<b>Funds still available for draw down</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total funds drawn down</b>	\$ 256,500	\$ -	\$ 68,750	\$ -	\$ 325,250
<b>Add:</b>					
Program income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total funds received</b>	<u>256,500</u>	<u>-</u>	<u>68,750</u>	<u>-</u>	<u>325,250</u>
<b>Less:</b>					
Program income expended	-	-	-	-	-
Funds applied, prior years	-	-	-	-	-
Funds applied, current year	<u>256,500</u>	<u>-</u>	<u>68,750</u>	<u>-</u>	<u>325,250</u>
<b>Total funds applied (actual expenses)</b>	<u>256,500</u>	<u>-</u>	<u>68,750</u>	<u>-</u>	<u>325,250</u>
<b>Total funds due to funding source</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total funds available for disposition</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Community Development Block Grant

THE URBAN LEAGUE OF PHILADELPHIA

City of Philadelphia, Division of Housing and Community Development  
 Contract Number 21-20376  
 Schedule of Program Expenditures  
 Year Ended June 30, 2021

	Program Budget				Accrued Expenditures Prior to July 1, 2020				Accrued Expenditures July 1, 2020 to June 30, 2021				Accrued Expenditures Cumulative to June 30, 2021			
	Other			Total	Other			Total	Other			Total	Other			Total
	CDBG *	City	NonCity		CDBG *	City	NonCity		CDBG *	City	NonCity		CDBG *	City	NonCity	
Funds	Funds	Funds		Funds	Funds	Funds		Funds	Funds	Funds		Funds	Funds	Funds		
<b>Contract categories:</b>																
Direct personnel	\$ 213,200	\$ 34,362	\$ -	\$ 247,562	\$ -	\$ -	\$ -	\$ -	\$ 213,200	\$ 34,362	\$ -	\$ 247,562	\$ 213,200	\$ 34,362	\$ -	\$ 247,562
Fringe benefits	34,125	2,629	-	36,754	-	-	-	-	34,125	2,629	-	36,754	34,125	2,629	-	36,754
Occupancy	5,093	30,559	-	35,652	-	-	-	-	5,093	30,559	-	35,652	5,093	30,559	-	35,652
Consumable supplies	4,082	1,200	-	5,282	-	-	-	-	4,082	1,200	-	5,282	4,082	1,200	-	5,282
<b>Contract total</b>	<b>\$ 256,500</b>	<b>\$ 68,750</b>	<b>\$ -</b>	<b>\$ 325,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 256,500</b>	<b>\$ 68,750</b>	<b>\$ -</b>	<b>\$ 325,250</b>	<b>\$ 256,500</b>	<b>\$ 68,750</b>	<b>\$ -</b>	<b>\$ 325,250</b>

\* Community Development Block Grant

**THE URBAN LEAGUE OF PHILADELPHIA**

**City of Philadelphia, Division of Housing and Community Development  
Contract Number 21-20376  
Schedule of Program Income  
July 1, 2020 to June 30, 2021**

	<u>Sales Proceeds</u>	<u>Other (Specify)</u>	<u>Total</u>
Program income (cumulative to June 30, 2021)	\$ -	\$ -	\$ -
Less program income expended in prior years	<u>-</u>	<u>-</u>	<u>-</u>
Beginning balance, July 1, 2020	<u>-</u>	<u>-</u>	<u>-</u>
Add program income received in current fiscal year	-	-	-
Less program income expended in current fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance, June 30, 2021	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**THE URBAN LEAGUE OF PHILADELPHIA**

**City of Philadelphia, Division of Housing and Community Development  
 Contract Number 21-20376  
 Reconciliation Schedule  
 July 1, 2020 to June 30, 2021**

	<u>Amount Per Books and Records</u>	<u>Amount Per Subrecipient Invoices</u>	<u>Differences</u>
<b>Contract amount</b>	<u>\$ 325,250</u>	<u>\$ 325,250</u>	<u>\$ -</u>
<b>Program costs:</b>			
Current year	\$ 325,250	\$ 325,250	\$ -
Cumulative	<u>325,250</u>	<u>325,250</u>	<u>-</u>
<b>Funds drawn down:</b>			
Current year	325,250	325,250	-
Cumulative	<u>325,250</u>	<u>325,250</u>	<u>-</u>
<b>Balance on advances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF PHILADELPHIA,  
DEPARTMENT OF COMMERCE  
STATEMENTS AND SCHEDULES**

**THE URBAN LEAGUE OF PHILADELPHIA**

City of Philadelphia, Department of Commerce  
 Contract Number 21-20235  
 Schedule of Source and Status of Funds  
 July 1, 2020 to June 30, 2021

	<u>CDBG *</u> <u>Funds</u>	<u>Project</u> <u>Funds</u>	<u>Total</u>
<b>Total contract (Final Authorized Budget)</b>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>
<b>Less:</b>			
Funds drawn down, prior fiscal years	-	-	-
Funds drawn down, current fiscal year	<u>73,239</u>	<u>-</u>	<u>73,239</u>
<b>Total funds drawn down</b>	<u>73,239</u>	<u>-</u>	<u>73,239</u>
<b>Funds still available for draw down</b>	<u>\$ 1,761</u>	<u>\$ -</u>	<u>\$ 1,761</u>
<b>Total funds drawn down</b>	<u>\$ 73,239</u>	<u>\$ -</u>	<u>\$ 73,239</u>
<b>Add:</b>			
Program income	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total funds received</b>	<u>73,239</u>	<u>-</u>	<u>73,239</u>
<b>Less:</b>			
Program income expended	-	-	-
Funds applied, prior years	-	-	-
Funds applied, current year	<u>73,239</u>	<u>-</u>	<u>73,239</u>
<b>Total funds applied (actual expenses)</b>	<u>73,239</u>	<u>-</u>	<u>73,239</u>
<b>Total funds due to funding source</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total funds available for disposition</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Community Development Block Grant

**THE URBAN LEAGUE OF PHILADELPHIA**

**City of Philadelphia, Department of Commerce  
 Contract Number 21-20235  
 Schedule of Program Expenditures  
 Year Ended June 30, 2021**

	<b>Project Budget</b>			<b>Accrued Expenditures</b>		
	<b>CDBG *</b>	<b>Project</b>		<b>CDBG *</b>	<b>Project</b>	
	<b>Funds</b>	<b>Funds</b>	<b>Total</b>	<b>Funds</b>	<b>Funds</b>	<b>Total</b>
<b>Contract categories:</b>						
Direct personnel	\$ 29,888	\$ -	\$ 29,888	\$ 29,796	\$ -	\$ 29,796
Fringe benefits	12,214	-	12,214	10,364	-	10,364
Operating consultants	30,000	-	30,000	29,854	-	29,854
Equipment lease/maintenance	2,898	-	2,898	3,225	-	3,225
<b>Contract total</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ 75,000</b>	<b>\$ 73,239</b>	<b>\$ -</b>	<b>\$ 73,239</b>

\* Community Development Block Grant

**THE URBAN LEAGUE OF PHILADELPHIA**

**City of Philadelphia, Department of Commerce  
Contract Number 21-20235  
Reconciliation Schedule  
July 1, 2020 to June 30, 2021**

	<u>Amount According to Books and Records</u>	<u>Amount According to Invoices</u>	<u>Differences</u>
<b>Contract amount</b>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>
<b>Program costs</b>	<u>73,239</u>	<u>73,239</u>	<u>-</u>
<b>Funds drawn down</b>	<u>73,239</u>	<u>73,239</u>	<u>-</u>
<b>Balance on advances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>