

**EISNERAMPER**

**THE URBAN LEAGUE OF PHILADELPHIA**

**FINANCIAL STATEMENTS**

***WITH REPORTING REQUIRMENTS FOR  
UNIFORM GUIDANCE***

**JUNE 30, 2020 AND 2019  
(with supplementary information)**



# THE URBAN LEAGUE OF PHILADELPHIA

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# THE URBAN LEAGUE OF PHILADELPHIA

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Urban League of Philadelphia

### Report on the Financial Statements

We have audited the accompanying financial statements of The Urban League of Philadelphia, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related 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 financial statements.

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

Management is responsible for the preparation and fair presentation of these 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 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 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 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.



## **Opinion**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of The Urban League of Philadelphia as of June 30, 2020 and 2019, and the 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 financial statements as a whole. The accompanying schedule of expenditures of federal and state 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 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 financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 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 16, 2020, 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 16, 2020

# THE URBAN LEAGUE OF PHILADELPHIA

## Statements of Financial Position

	June 30,	
	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current assets:		
Cash (including CCIS cash of \$-0- in 2020 and \$4,490,052 in 2019)	<b>\$2,355,435</b>	\$5,672,463
Contributions receivable, net of allowance for doubtful accounts of \$3,178 in 2020 and 2019	<b>66,355</b>	57,048
Grants and fees receivable	<b>346,736</b>	341,053
Prepaid expense and other assets	<b>65,217</b>	55,591
	<hr/>	<hr/>
Total current assets	<b>2,833,743</b>	6,126,155
Security deposits	<b>25,136</b>	25,136
Property and equipment, net of accumulated depreciation	<b>4,713</b>	-
	<hr/>	<hr/>
	<b>\$2,863,592</b>	\$6,151,291
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	<b>\$ -</b>	\$ 284,962
Accrued expenses	<b>175,834</b>	629,264
Due to others	<b>-</b>	3,502,591
Deferred revenue and other liabilities	<b>55,159</b>	93,135
	<hr/>	<hr/>
Total current liabilities	<b>230,993</b>	4,509,952
Commitments		
<b>NET ASSETS</b>		
Without donor restrictions	<b>2,535,852</b>	1,583,245
With donor restrictions	<b>96,747</b>	58,094
	<hr/>	<hr/>
Total net assets	<b>2,632,599</b>	1,641,339
	<hr/>	<hr/>
	<b>\$2,863,592</b>	\$6,151,291
	<hr/>	<hr/>

# THE URBAN LEAGUE OF PHILADELPHIA

## Statements of Activities and Changes in Net Assets

	Year Ended June 30,					
	2020			2019		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Public support and revenue:						
Grants and fees	\$2,938,880	\$ -	\$2,938,880	\$49,506,023	\$ -	\$49,506,023
Contributions	630,685	124,203	754,888	355,612	70,192	425,804
Special events, net of cost of direct benefit to donors of \$55,105 in 2020 and \$224,172 in 2019	439,463	-	439,463	639,627	-	639,627
Interest income	1,330	-	1,330	38	-	38
Other revenues	17,584	-	17,584	26,520	-	26,520
	<b>4,027,942</b>	<b>124,203</b>	<b>4,152,145</b>	<b>50,527,820</b>	<b>70,192</b>	<b>50,598,012</b>
Net assets released from restrictions	<b>85,550</b>	<b>(85,550)</b>	<b>-</b>	<b>65,701</b>	<b>(65,701)</b>	<b>-</b>
	<b>4,113,492</b>	<b>38,653</b>	<b>4,152,145</b>	<b>50,593,521</b>	<b>4,491</b>	<b>50,598,012</b>
Expenses:						
Program services:						
Advocacy and policy	595,866	-	595,866	721,355	-	721,355
Business and talent diversity	759,188	-	759,188	819,877	-	819,877
Community and economic development	854,909	-	854,909	47,532,760	-	47,532,760
Support services	950,922	-	950,922	541,458	-	541,458
	<b>3,160,885</b>	<b>-</b>	<b>3,160,885</b>	<b>49,615,450</b>	<b>-</b>	<b>49,615,450</b>
Change in net assets	<b>952,607</b>	<b>38,653</b>	<b>991,260</b>	<b>978,071</b>	<b>4,491</b>	<b>982,562</b>
Net assets at beginning of year	<b>1,583,245</b>	<b>58,094</b>	<b>1,641,339</b>	<b>605,174</b>	<b>53,603</b>	<b>658,777</b>
<b>Net assets at end of year</b>	<b>\$2,535,852</b>	<b>\$ 96,747</b>	<b>\$2,632,599</b>	<b>\$ 1,583,245</b>	<b>\$ 58,094</b>	<b>\$ 1,641,339</b>

See notes to financial statements

**THE URBAN LEAGUE OF PHILADELPHIA**

**Statement of Functional Expenses  
Year Ended June 30, 2020**

	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	\$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 expense	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 expenses	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 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>
Plus expenses included with revenue on the statement of activities and changes in net assets								
Special events - cost of direct benefit 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 financial statements



**THE URBAN LEAGUE OF PHILADELPHIA**

**Statement of Functional Expenses  
Year Ended June 30, 2019**

	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	\$167,262	\$297,814	\$ 2,362,390	\$ 2,827,466	\$ -	\$201,276	\$201,276	\$ 3,028,742
Benefits and taxes	35,985	80,072	993,667	1,109,724	-	96,194	96,194	1,205,918
Professional services	385,294	197,084	230,716	813,094	18,700	59,095	77,795	890,889
Childcare providers	-	-	43,406,640	43,406,640	-	-	-	43,406,640
Meals, travel and meetings	13,071	757	6,325	20,153	-	17,124	17,124	37,277
Office expense	8,446	2,879	65,969	77,294	3,080	8,180	11,260	88,554
Expendable equipment	4,277	4,724	34,596	43,597	14,596	46,423	61,019	104,616
Dues and memberships	1,159	-	189	1,348	-	18,157	18,157	19,505
Advertising	30	3,057	14,828	17,915	-	600	600	18,515
Occupancy	30,375	42,160	321,991	394,526	-	11,485	11,485	406,011
Utilities	3,115	4,348	32,038	39,501	-	7,903	7,903	47,404
Insurance	43	61	34,331	34,435	-	18,579	18,579	53,014
Bank and payroll fees	359	1,655	8,110	10,124	2,401	10,822	13,223	23,347
Scholarships	65,701	-	-	65,701	-	-	-	65,701
Client support	-	54,813	-	54,813	-	-	-	54,813
Other expenses	6,238	130,453	20,970	157,661	229	6,614	6,843	164,504
Total expenses included in expenses section on the statement of activities and changes in net assets	<u>721,355</u>	<u>819,877</u>	<u>47,532,760</u>	<u>49,073,992</u>	<u>39,006</u>	<u>502,452</u>	<u>541,458</u>	<u>49,615,450</u>
Plus expenses included with revenue on the statement of activities and changes in net assets								
Special events - cost of direct benefits to donors:								
Food and beverages	-	-	-	-	147,176	-	147,176	147,176
Rent and facility costs	-	-	-	-	51,913	-	51,913	51,913
Awards	-	-	-	-	25,083	-	25,083	25,083
	-	-	-	-	224,172	-	224,172	224,172
<b>Total expenses</b>	<u><u>\$721,355</u></u>	<u><u>\$819,877</u></u>	<u><u>\$ 47,532,760</u></u>	<u><u>\$49,073,992</u></u>	<u><u>\$263,178</u></u>	<u><u>\$502,452</u></u>	<u><u>\$765,630</u></u>	<u><u>\$49,839,622</u></u>

See notes to financial statements

# THE URBAN LEAGUE OF PHILADELPHIA

## Statements of Cash Flows

	Year Ended June 30,	
	2020	2019
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 991,260	\$ 982,562
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,346	-
Bad debt expense	860	162
Change in assets and liabilities:		
Contributions receivable	(10,167)	(4,147)
Grants and fees receivable	(5,683)	(73,685)
Prepaid expense and other assets	(9,626)	(37,224)
Security deposits	-	4,902
Accounts payable	(284,962)	41,714
Accrued expenses	(453,430)	402,017
Due to others	(3,502,591)	(190,097)
Deferred revenue and other liabilities	(37,976)	31,478
Net cash provided by (used in) operating activities	<u>(3,310,969)</u>	<u>1,157,682</u>
<b>Cash flows from investing activities:</b>		
Proceeds from redemption of certificate of deposit	-	210,000
Acquisition of property and equipment	(6,059)	-
Net cash provided by (used in) investing activities	<u>(6,059)</u>	<u>210,000</u>
<b>Net increase (decrease) in cash</b>	<b>(3,317,028)</b>	<b>1,367,682</b>
Cash at beginning of year	<u>5,672,463</u>	<u>4,304,781</u>
<b>Cash at end of year</b>	<b><u>\$2,355,435</u></b>	<b><u>\$5,672,463</u></b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 4,773</u>

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Financial Statements June 30, 2020 and 2019

### NOTE A - ORGANIZATION AND DESCRIPTION OF PROGRAMS

#### [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.

#### [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.

##### ***Community and Economic Development***

The Child Care Information Services ("CCIS") program was operated in accordance with a contract with the Commonwealth of Pennsylvania, Department of Public Welfare ("DPW"), to administer the subsidized childcare program for the northwest area of Philadelphia County. The League was responsible for determining eligibility for families seeking subsidized childcare funding, managing a waiting list for subsidized childcare funding, and managing the payment system to participating childcare providers. The League was reimbursed by DPW for amounts paid to childcare providers.

For the years ended June 30, 2020 and 2019, approximately 5% and 96%, respectively, of the League's grants and fees revenue was provided by one grantor, DPW. In July 2017, the League was notified that its CCIS contract would not be renewed for fiscal year 2019 by DPW. In July 2018, the League was notified by DPW that a one-year extension on the CCIS contract was being granted in the amount of \$45,558,470. As a result, the League's revenues and related expenses of approximately 94% of the contract revenue were significantly reduced in fiscal year 2020. The League no longer has these revenues or related expenses subsequent to August 2019; the loss of such revenues did not have a material impact on the League's financial position.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Financial Statements June 30, 2020 and 2019

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

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

##### *Community and Economic Development (continued)*

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 financial statements of the League 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 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 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 Financial Statements June 30, 2020 and 2019

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

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

Funding for the League'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 League. As the donors are not receiving a benefit as a result of these transactions, the donations are considered to be contributions to the League. Some contributions require that funds be expended for a specific purpose, and are considered to be net assets with donor restrictions.

The League 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.

The League recognizes revenue from special events at the time of admission. The recognition of revenue is conditional on the event taking place. As of June 30, 2020 and 2019, there were conditional contributions associated with special events of \$4,750 and \$49,000, respectively, which is included in deferred revenue and other liabilities on the statements of financial position.

The League was the recipient of a grant for \$75,000 to support its career services, scholarships, and special events. All funding is conditional on the League meeting the requirements of the grant agreement. As of June 30, 2020 and 2019, \$0- and \$75,000, respectively, is included in deferred revenue and other liabilities and will be released as the conditions are met.

A portion of the grants the League 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 League. 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 League received no funds in advance of service requirements being met as of either June 30, 2020 or 2019. Conditional amounts of \$50,000 and \$0- were not yet recognized on government grants in progress as of June 30, 2020 or 2019, respectively.

On April 18, 2020, the League received a conditional grant from the U.S. Small Business Administration (the "SBA") as part of the Paycheck Protection Program ("PPP") in the amount of \$374,500. The funding is conditional on the League using the funds to cover qualified expenditures. Contributions from this agreement is therefore recognized as revenue when costs are incurred and specific service requirements are met, as required by the agreement. For the year ended June 30, 2020, \$325,716 of the grant was used for qualified expenditures, including payroll, rent, and utilities, and thus was recognized as grants and fees revenue on the statement 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 is included in deferred revenue and other liabilities and will be released as the conditions are met.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Financial Statements June 30, 2020 and 2019

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

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

The League 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 historical experience and management's evaluation of outstanding receivables. Accounts are written off when they are deemed uncollectable. As of both June 30, 2020 and 2019, the League had an allowance for doubtful accounts of \$3,178 related to contributions receivable. As of both June 30, 2020 and 2019, the League 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] Deferred revenue:

Deferred revenue consists of advances received for special events that have not yet taken place, unexpired membership dues, certain refundable advances, and unused funds from the PPP grant.

#### [8] Paycheck Protection Program:

There are two acceptable methods for accounting for the Paycheck Protection Program ("PPP") loan received under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). Entities can elect to treat the PPP amounts received as a loan or as a conditional contribution. The League has elected to account for the PPP loan as a conditional contribution under Accounting Standards Update ("ASU") 2018-08 as further described in Note A[10]. The loan agreement includes 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 conditions on which they depend are substantially met. The amount included in deferred revenue within the statements of financial position, is the portion of the PPP funding for which allowable expenditures had not yet been incurred as of June 30, 2020.

#### [9] Federal tax status:

The Internal Revenue Service has classified the League as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code"); 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 financial statements.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Financial Statements June 30, 2020 and 2019

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

#### [9] Federal tax status (continued):

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 League and has concluded that as of June 30, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The League 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, 2020 or 2019.

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

Directly identifiable expenses are charged to program services and support services. The League'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 League's programs, as well as fundraising costs.

#### [11] New accounting pronouncement:

In June 2018, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves guidance concerning, 1) evaluating whether a transaction should be accounted for as an exchange transaction or as a contribution, and 2) determining whether a contribution received is conditional. ASU 2018-08 is effective for annual periods beginning after December 15, 2018 for entities that are resource recipients and for annual periods beginning after December 15, 2019 for entities that are resource providers. The League has adopted ASU 2018-08 as of and for the year ended June 30, 2020 and has retroactively applied its provisions to all periods presented. The adoption of ASU 2018-08 did not have a material effect on the League's financial statements.

#### [12] Upcoming accounting pronouncement:

In February 2016, 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 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 financial statements and related disclosures.

#### [13] Reclassification:

Certain amounts in the 2019 financial statements have been reclassified to conform to the current year presentation.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Financial Statements June 30, 2020 and 2019

### 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 statements of financial position date, comprise the following as of June 30, 2020 and 2019:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Current financial assets:		
Cash	\$ 2,355,435	\$ 5,672,463
Accounts receivable	66,355	57,048
Grants and fees receivable	<u>346,736</u>	<u>341,053</u>
	<u>\$ 2,768,526</u>	<u>\$ 6,070,564</u>

General expenditures include program services expenses and supporting services expenses expected to be paid in the subsequent year. As part of the League's liquidity management plan, the League 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, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Corporate support	\$ 40,000	\$ 38,500
United Way allocation	-	6,250
United Way Donor Option, net of allowance for doubtful accounts of \$3,718 in both 2020 and 2019	<u>22,855</u>	<u>12,298</u>
	<u>\$ 62,855</u>	<u>\$ 57,048</u>



# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Financial Statements June 30, 2020 and 2019

### NOTE E - GRANTS AND FEES RECEIVABLE

Grants and fees receivable as of June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
School District of Philadelphia	<b>\$ 100,000</b>	\$ 65,832
Division of Housing and Community Development, City of Philadelphia	<b>43,438</b>	42,941
National Urban League/U.S. Department of Housing and Urban Development	<b>50,606</b>	42,832
National Urban League/ULEC	<b>31,000</b>	49,975
National Urban League/Urban Tech Jobs Program	-	36,069
United Way	<b>6,250</b>	-
Pennsylvania Women Work/Urban Tech	-	8,574
The City of Philadelphia/BTAP	<b>6,587</b>	14,830
Cheyney University - PA Dept of Education	-	80,000
Aramark	<b>65,000</b>	-
Homeowners' Emergency Mortgage Assistance Program and Pennsylvania Housing Finance Agency	<b>23,855</b>	-
United Way - Philadelphia African American Leadership Development Forum	<b>20,000</b>	-
	<b><u>\$ 346,736</u></b>	<b><u>\$ 341,053</u></b>

### NOTE F - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Furniture, fixtures and equipment	<b>\$ 85,766</b>	\$ 79,707
Software	<b>19,284</b>	19,284
	<b>105,050</b>	98,991
Less accumulated depreciation	<b>100,337</b>	98,991
	<b><u>\$ 4,713</u></b>	<b><u>\$ -</u></b>

Depreciation for the years ended June 30, 2020 and 2019 was \$1,346 and \$-0-, respectively.

## THE URBAN LEAGUE OF PHILADELPHIA

### Notes to Financial Statements June 30, 2020 and 2019

#### NOTE G - DUE TO OTHERS

Due to others as of June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Due to:		
Pennsylvania Department of Public Welfare	\$ -	\$ 222,628
Various daycare providers	-	3,279,963
	<u>\$ -</u>	<u>\$ 3,502,591</u>

#### NOTE H - DEFERRED REVENUE AND OTHER LIABILITIES

Deferred revenue and other liabilities as of June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Grants	\$ 6,375	\$ 90,500
Paycheck Protection Program	48,784	-
Memberships and other	-	2,635
	<u>\$ 55,159</u>	<u>\$ 93,135</u>

#### NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of contributions subject to expenditures for specified purposes. As of June 30, 2020 and 2019, \$96,747 and \$58,094 of net assets were restricted to be used for scholarships, respectively.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors. For the years ended June 30, 2020 and 2019, \$85,550 and \$65,700 of scholarships were released from donor restrictions, respectively.

#### NOTE J - TAX DEFERRED ANNUITY PLAN

In accordance with Internal Revenue Code Section 403(b), the League 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, 2020 and 2019, the annual contribution was \$10,100 and \$27,888, respectively, based on 2% of the employees' annual salaries.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Financial Statements June 30, 2020 and 2019

### NOTE K - LEASE COMMITMENTS - OPERATING LEASES

The League leases office space in Philadelphia under an operating lease which expires in May 2024. Rent is payable in monthly installments of \$13,696. The League 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, 2020 are as follows:

<u>Year Ending June 30,</u>	
2021	\$ 186,358
2022	186,358
2023	186,358
2024	<u>157,994</u>
	<u><u>\$ 717,068</u></u>

Office rent and equipment leasing expense for the years ended June 30, 2020 and 2019 was \$216,248 and \$426,456, respectively.

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Financial Statements June 30, 2020 and 2019

### NOTE L - GRANTS AND FEES

Grants and fees during the years ended June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Pennsylvania Department of Public Welfare	<b>\$ 154,621</b>	\$ 47,070,897
Grants from corporations/foundations	<b>806,953</b>	587,166
National Urban League/NeighborWorks	-	5,000
National Urban League/U.S. Department of Housing and Urban Development	<b>68,527</b>	42,832
National Urban League/Urban Tech Jobs Program	<b>102,059</b>	330,983
National Urban League/Entrepreneurship and Business Development	<b>83,000</b>	49,975
Office of Neighborhood Economic Development	<b>50,046</b>	50,000
Division of Housing and Community Development, City of Philadelphia	<b>255,250</b>	255,250
Homeowners' Emergency Mortgage Assistance Program and Pennsylvania Housing Finance Agency	<b>49,615</b>	50,872
Leadership tuition	<b>298,630</b>	350,475
School District of Philadelphia	<b>282,916</b>	417,079
Paycheck Protection Program	<b>325,716</b>	-
Philadelphia Works	-	55,895
Cheyney	<b>245,000</b>	80,000
National Urban League/Project Reinvest	<b>297</b>	31,383
National Urban League/Equality and Excellence	<b>13,750</b>	28,750
Pennsylvania Housing Finance Agency/First Time Home Buyers Program	<b>200,000</b>	-
Other	<b>2,500</b>	99,466
	<b><u>\$ 2,938,880</u></b>	<b><u>\$ 49,506,023</u></b>

### NOTE M - CONTRIBUTIONS

Contributions during the years ended June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
United Way allocation	<b>\$ 25,000</b>	\$ 25,000
United Way Donor Option	<b>26,033</b>	25,372
Scholarships	<b>126,703</b>	123,795
Corporate support	<b>236,889</b>	177,670
Other	<b>340,263</b>	73,967
	<b><u>\$ 754,888</u></b>	<b><u>\$ 425,804</u></b>

# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Financial Statements June 30, 2020 and 2019

### NOTE N - SPECIAL EVENTS

Special events revenue for the years ended June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Empowerment dinner	\$ 326,706	\$ 523,880
Whitney M. Young Luncheon	145,254	154,230
Guild events	5,000	42,200
NExT Philadelphia events	14,359	15,332
Fund development	-	30,000
Project Ready - Phillies	-	72,547
ULEC - Procurement Pitch - Capital One	3,249	10,509
Career Center - Lyft sponsorship	-	10,000
Housing Buyer Expo	-	5,100
	<u>494,568</u>	863,798
Less cost of direct benefit to donors	<u>(55,105)</u>	<u>(224,171)</u>
	<u>\$ 439,463</u>	<u>\$ 639,627</u>

### NOTE O - CONCENTRATIONS OF CREDIT RISK

As of June 30, 2020 and 2019, the League 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 P - CONTRIBUTED SERVICES

Contribution of services is recognized by the League as both revenue and expense in the accompanying 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, 2020 and 2019, the League recognized \$267,320 and \$32,500, 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 statements of activities and changes in net assets.

### NOTE Q - SUBSEQUENT EVENTS

The League has evaluated subsequent events through December 16, 2020, which is the date the 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 and State Awards  
Year Ended June 30, 2020**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA 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 Health and Human Services</u></b>				
<b>Commonwealth of Pennsylvania, Department of Public Welfare:</b>				
<b>Child Care and Development Fund Cluster:</b>				
Child Care and Development Block Grant	93.575	DC19-379292	07/01/19 - 06/30/20	\$ 154,621
<b>Total U.S. Department of Health and Human Services</b>				<u>154,621</u>
<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	20-20205	07/01/19 - 06/30/20	255,250
<b>City of Philadelphia, Department of Commerce:</b>				
Community Development Block Grant/Entitlement Grants	14.218	19-20234	07/01/19 - 06/30/20	<u>50,000</u>
<b>Total CFDA 14.218</b>				305,250
<b>National Urban League:</b>				
Housing Counseling Assistance Program	14.169	N/A	07/01/19 - 06/30/20	<u>54,300</u>
<b>Total U.S. Department of Housing and Urban Development</b>				<u>359,550</u>

(continued)

**THE URBAN LEAGUE OF PHILADELPHIA**

**Schedule of Expenditures of Federal and State Awards  
Year Ended June 30, 2020**

(continued)

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Grant Period</u>	<u>Expenditures</u>
<b>FEDERAL AWARDS (continued)</b>				
<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	739D/F15	09/25/19 - 09/24/20	<u>282,916</u>
<b>Total U.S. Department of Education</b>				<u>282,916</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	07/01/19 - 06/30/20	<u>102,059</u>
<b>Total U.S. Department of Labor, Employment and Training Administration</b>				<u>102,059</u>
<b>TOTAL FEDERAL AWARDS</b>				<u>899,146</u>
<b>STATE AWARDS</b>				
Pennsylvania Housing Finance Agency	N/A	N/A	07/01/19 - 06/30/20	21,595
Pennsylvania Housing Finance Agency Pennsylvania Housing Affordability and Rehabilitation Enhancement ("PHARE") Fund	N/A	N/A	10/01/19 - 06/30/20	<u>200,000</u>
<b>TOTAL STATE AWARDS</b>				<u>221,595</u>
<b>TOTAL FEDERAL AND STATE AWARDS</b>				<u><u>\$ 1,120,741</u></u>

See notes to schedule of expenditures of federal and state awards



# THE URBAN LEAGUE OF PHILADELPHIA

## Notes to Schedule of Expenditures of Federal and State Awards June 30, 2020

### NOTE A - GENERAL INFORMATION

The accompanying schedule of expenditures of federal and state awards presents the activities in all federal and state 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 and state 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”). 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 and state awards is presented using the accrual basis of accounting. The amounts reported in this schedule may differ from certain financial reports submitted to federal and state 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 FINANCIAL STATEMENTS

Federal and state award expenditures are reported on the statements of activities and changes in net assets as expenses. The revenue reported in the basic financial statements differs from the expenditures reported in the schedule of expenditures of federal and state awards due to revenue from other nongovernment-funded programs. The reconciliation of revenues reported in the basic 2020 financial statements to the expenditures reported in the schedule of expenditures of federal and state awards is as follows:

Expenditures per schedule of expenditures of federal and state awards	\$ 1,120,741
Grants from nongovernment-funded entities	1,519,509
Fees charged for The Urban League of Philadelphia programs	<u>298,630</u>
Grants and fees revenue per 2020 financial statements	<u><u>\$ 2,938,880</u></u>

## **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 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 financial statements of The Urban League of Philadelphia, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2020.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 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 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 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.

A handwritten signature in black ink that reads "EisnerAmper LLP". The signature is written in a cursive, flowing style.

EISNERAMPER LLP  
Philadelphia, Pennsylvania  
December 16, 2020

A large, faint, light gray watermark of the text "EISNERAMPER LLP" is centered on the page. The text is in all caps and a sans-serif font, with "LLP" on a second line below "EISNERAMPER".

## **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, 2020. 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.

### ***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 above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.



## 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.

The image shows a handwritten signature in black ink that reads "EisnerAmper LLP". The signature is written in a cursive, flowing style.

EISNERAMPER LLP  
Philadelphia, Pennsylvania  
December 16, 2020

**THE URBAN LEAGUE OF PHILADELPHIA**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2020**

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

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**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>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
84.334A	Gaining Early Awareness and Readiness for Undergraduate Programs

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

Auditee qualified as low-risk auditee?  Yes  No

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**Section II – Financial Statement Findings**

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NONE

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

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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 20-20205

Schedule of Source and Status of Funds

July 1, 2019 to June 30, 2020

	<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</b> <b>(Final Authorized Budget)</b>	\$ 255,250	\$ -	\$ -	\$ -	\$ 255,250
<b>Less:</b>					
Funds drawn down, prior fiscal years	-	-	-	-	-
Funds drawn down, current fiscal year	255,250	-	-	-	255,250
<b>Total funds drawn down</b>	255,250	-	-	-	255,250
<b>Funds still available for draw down</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total funds drawn down</b>	\$ 255,250	\$ -	\$ -	\$ -	\$ 255,250
<b>Add:</b>					
Program income	-	-	-	-	-
<b>Total funds received</b>	255,250	-	-	-	255,250
<b>Less:</b>					
Program income expended	-	-	-	-	-
Funds applied, prior years	-	-	-	-	-
Funds applied, current year	255,250	-	-	-	255,250
<b>Total funds applied (actual expenses)</b>	255,250	-	-	-	255,250
<b>Total funds due to funding source</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total funds available for disposition</b>	\$ -	\$ -	\$ -	\$ -	\$ -

\* Community Development Block Grant

**THE URBAN LEAGUE OF PHILADELPHIA**

City of Philadelphia, Division of Housing and Community Development  
 Contract Number 20-20205  
 Schedule of Program Expenditures  
 Year Ended June 30, 2020

	Program Budget				Accrued Expenditures Prior to July 1, 2019				Accrued Expenditures July 1, 2019 to June 30, 2020				Accrued Expenditures Cumulative to June 30, 2020			
	CDBG *	Other	NonCity	Total	CDBG *	Other	NonCity	Total	CDBG *	Other	NonCity	Total	CDBG *	Other	NonCity	Total
	Funds	City	Funds		Funds	City	Funds		Funds	City	Funds		Funds	City	Funds	
<b>Contract categories:</b>																
Direct personnel	\$197,562	\$ -	\$ -	\$197,562	\$ -	\$ -	\$ -	\$ -	\$197,562	\$ -	\$ -	\$197,562	\$197,562	\$ -	\$ -	\$197,562
Fringe benefits	25,929	-	-	25,929	-	-	-	-	25,929	-	-	25,929	25,929	-	-	25,929
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	30,559	-	-	30,559	-	-	-	-	30,559	-	-	30,559	30,559	-	-	30,559
Consumable supplies	1,200	-	-	1,200	-	-	-	-	1,200	-	-	1,200	1,200	-	-	1,200
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Contract total</b>	<u>\$255,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$255,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$255,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$255,250</u>	<u>\$255,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$255,250</u>

\* Community Development Block Grant

**THE URBAN LEAGUE OF PHILADELPHIA**

**City of Philadelphia, Division of Housing and Community Development  
Contract Number 20-20205  
Schedule of Program Income  
July 1, 2019 to June 30, 2020**

	<u>Sales Proceeds</u>	<u>Other (Specify)</u>	<u>Total</u>
<b>Program income (cumulative to June 30, 2020)</b>	\$ -	\$ -	\$ -
<b>Less program income expended in prior years</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Beginning balance, July 1, 2019</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Add program income received in current fiscal year</b>	-	-	-
<b>Less program income expended in current fiscal year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending balance, June 30, 2020</b>	<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 20-20205  
 Reconciliation Schedule  
 July 1, 2019 to June 30, 2020**

	<u>Amount Per Books and Records</u>	<u>Amount Per Subrecipient Invoices</u>	<u>Differences</u>
<b>Contract amount</b>	<u>\$ 255,250</u>	<u>\$ 255,250</u>	<u>\$ -</u>
<b>Program costs:</b>			
Current year	\$ 255,250	\$ 255,250	\$ -
Cumulative	<u>255,250</u>	<u>255,250</u>	<u>-</u>
<b>Funds drawn down:</b>			
Current year	255,250	255,250	-
Cumulative	<u>255,250</u>	<u>255,250</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 19-20234  
 Schedule of Source and Status of Funds  
 July 1, 2019 to June 30, 2020

	<u>CDBG *</u> <u>Funds</u>	<u>Project</u> <u>Funds</u>	<u>Total</u>
<b>Total contract (Final Authorized Budget)</b>	<u>\$100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
<b>Less:</b>			
Funds drawn down, prior fiscal years	50,000	-	50,000
Funds drawn down, current fiscal year	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<b>Total funds drawn down</b>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>Funds still available for draw down</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total funds drawn down</b>	\$100,000	\$ -	\$ 100,000
<b>Add:</b>			
Program income	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total funds received</b>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>Less:</b>			
Program income expended	-	-	-
Funds applied, prior years	50,000	-	50,000
Funds applied, current year	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<b>Total funds applied (actual expenses)</b>	<u>100,000</u>	<u>-</u>	<u>100,000</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 19-20234

Schedule of Program Expenditures

Year Ended June 30, 2020

	<u>Project Budget</u>			<u>Accrued Expenditures</u>		
	<u>CDBG *</u> <u>Funds</u>	<u>Project</u> <u>Funds</u>	<u>Total</u>	<u>CDBG *</u> <u>Funds</u>	<u>Project</u> <u>Funds</u>	<u>Total</u>
<b>Contract categories:</b>						
Direct personnel	\$ 52,172	\$ -	\$ 52,172	\$ 52,172	\$ -	\$ 52,172
Fringe benefits	13,921	-	13,921	13,921	-	13,921
Operating consultants	30,698	-	30,698	30,698	-	30,698
Occupancy	2,584	-	2,584	2,584	-	2,584
Consumable supplies	400	-	400	400	-	400
Insurance	225	-	225	225	-	225
<b>Contract total</b>	<u>\$100,000</u>	<u>\$ -</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$ -</u>	<u>\$100,000</u>

\* Community Development Block Grant

**THE URBAN LEAGUE OF PHILADELPHIA**

City of Philadelphia, Department of Commerce  
Contract Number 19-20234  
Reconciliation Schedule  
July 1, 2019 to June 30, 2020

	<u>Amount According to Books and Records</u>	<u>Amount According to Invoices</u>	<u>Differences</u>
Contract amount	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$ -</u>
Program costs	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Funds drawn down	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Balance on advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>