

EISNERAMPER

THE URBAN LEAGUE OF PHILADELPHIA

FINANCIAL STATEMENTS

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

**JUNE 30, 2019 AND 2018
(with supplementary information)**



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, 2019 and 2018, and the related statements of activities and changes in net assets (deficiency), 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, 2019 and 2018, 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

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 18 and 19 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 28 to 39 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 12, 2019 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 12, 2019

THE URBAN LEAGUE OF PHILADELPHIA

Statements of Financial Position

	<u>June 30</u>	
	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash (including CCIS cash of \$4,490,052 in 2019 and \$3,890,176 in 2018)	\$ 5,672,463	\$ 4,304,781
Certificates of deposit	-	210,000
Contributions receivable, net of allowance for doubtful accounts of \$3,178 in 2019 and 2018	57,048	53,063
Grants and fees receivable	341,053	267,368
Prepaid expense and other assets	55,591	18,367
	<hr/>	<hr/>
Total current assets	6,126,155	4,853,579
Security deposits	25,136	30,038
	<hr/>	<hr/>
	\$ 6,151,291	\$ 4,883,617
	<hr/>	<hr/>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 284,962	\$ 243,248
Accrued expenses	629,264	227,247
Due to others	3,502,591	3,692,688
Deferred revenue and other liabilities	93,135	61,657
	<hr/>	<hr/>
Total current liabilities	4,509,952	4,224,840
Commitments		
NET ASSETS		
Without donor restrictions	1,583,245	605,174
With donor restrictions	58,094	53,603
	<hr/>	<hr/>
Total net assets	1,641,339	658,777
	<hr/>	<hr/>
	\$ 6,151,291	\$ 4,883,617
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THE URBAN LEAGUE OF PHILADELPHIA

Statements of Activities and Changes in Net Assets

	Year Ended June 30					
	2019			2018		
	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	\$49,506,023	\$ -	\$49,506,023	\$45,745,770	\$ -	\$45,745,770
Contributions	355,612	70,192	425,804	754,611	53,603	808,214
Special events, net of cost of direct benefit to donors of \$224,171 in 2019 and \$101,609 in 2018	639,627	-	639,627	455,341	-	455,341
Interest income	38	-	38	8	-	8
Other revenue	10,245	-	10,245	8,126	-	8,126
Membership dues	16,275	-	16,275	69,070	-	69,070
	50,527,820	70,192	50,598,012	47,032,926	53,603	47,086,529
Net assets released from restrictions	65,701	(65,701)	-	147,660	(147,660)	-
	50,593,521	4,491	50,598,012	47,180,586	(94,057)	47,086,529
Expenses:						
Program services:						
Advocacy and policy	721,355	-	721,355	397,192	-	397,192
Business and talent diversity	819,877	-	819,877	703,833	-	703,833
Community and economic development	47,532,760	-	47,532,760	44,729,049	-	44,729,049
Support services	541,458	-	541,458	627,553	-	627,553
	49,615,450	-	49,615,450	46,457,627	-	46,457,627
Change in net assets	978,071	4,491	982,562	722,959	(94,057)	628,902
Net assets (deficiency) at beginning of year	605,174	53,603	658,777	(117,785)	147,660	29,875
Net assets at end of year	\$ 1,583,245	\$ 58,094	\$ 1,641,339	\$ 605,174	\$ 53,603	\$ 658,777

See notes to financial statements

THE URBAN LEAGUE OF PHILADELPHIA

Statement of Functional Expenses
Year Ended June 30, 2019

	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	\$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
Other expenses	6,238	185,266	20,970	212,474	229	6,614	6,843	219,317
Total expense included in expense section on the statement of activities and changes in net assets	721,355	819,877	47,532,760	49,073,992	39,006	502,452	541,458	49,615,450
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	-	-	-	-	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
Total expense	\$721,355	\$819,877	\$ 47,532,760	\$49,073,992	\$263,178	\$502,452	\$765,630	\$49,839,622

See notes to financial statements

THE URBAN LEAGUE OF PHILADELPHIA

Statement of Functional Expenses
Year Ended June 30, 2018

	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	\$103,523	\$300,553	\$ 2,273,747	\$ 2,677,823	\$ 5,408	\$142,026	\$147,434	\$ 2,825,257
Benefits and taxes	34,669	76,863	824,131	935,663	709	59,245	59,954	995,617
Professional services	186,070	184,930	229,242	600,242	20,330	141,593	161,923	762,165
Childcare providers	-	-	40,777,488	40,777,488	-	-	-	40,777,488
Meals, travel and meetings	14,462	2,317	5,095	21,874	(109)	17,360	17,251	39,125
Office expense	11,575	14,402	103,884	129,861	3,488	5,700	9,188	139,049
Expendable equipment	424	34	57,240	57,698	13,877	53,617	67,494	125,192
Dues and memberships	1,554	500	-	2,054	-	19,813	19,813	21,867
Advertising	250	357	133	740	-	-	-	740
Occupancy	5,793	41,160	380,287	427,240	-	70,949	70,949	498,189
Utilities	1,710	4,961	40,918	47,589	4,071	23,735	27,806	75,395
Insurance	-	-	12,147	12,147	-	8,474	8,474	20,621
Bank and payroll fees	340	1,223	6,441	8,004	2,014	16,479	18,493	26,497
Interest expense	-	-	-	-	-	4,773	4,773	4,773
Scholarships	3,500	-	-	3,500	-	-	-	3,500
Other expenses	33,322	76,533	18,296	128,151	223	13,778	14,001	142,152
Total expense included in expense section on the statement of activities and changes in net assets	397,192	703,833	44,729,049	45,830,074	50,011	577,542	627,553	46,457,627
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	-	-	-	-	78,768	-	78,768	78,768
Rent and facility costs	-	-	-	-	22,715	-	22,715	22,715
Awards	-	-	-	-	126	-	126	126
	-	-	-	-	101,609	-	101,609	101,609
Total expense	\$397,192	\$703,833	\$ 44,729,049	\$45,830,074	\$ 151,620	\$577,542	\$729,162	\$46,559,236

See notes to financial statements

THE URBAN LEAGUE OF PHILADELPHIA

Statements of Cash Flows

	<u>Year Ended June 30</u>	
	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 982,562	\$ 628,902
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss on disposal of equipment	-	707
Bad debt expense	162	486
Change in assets and liabilities:		
Contributions receivable	(4,147)	58,906
Grants and fees receivable	(73,685)	142,975
Prepaid expense and other assets	(37,224)	67,928
Security deposits	4,902	-
Accounts payable	41,714	(340,109)
Accrued expenses	402,017	80
Due to others	(190,097)	121,797
Deferred revenue and other liabilities	31,478	(125,835)
Net cash provided by operating activities	<u>1,157,682</u>	<u>555,837</u>
Cash flows from investing activities:		
Proceeds from redemption of certificate of deposit	210,000	-
Purchase of certificates of deposit	-	(210,000)
Net cash provided by (used in) investing activities	<u>210,000</u>	<u>(210,000)</u>
Cash flows from financing activities:		
Principal payments on note payable	-	(95,846)
Net increase in cash	1,367,682	249,991
Cash at beginning of year	<u>4,304,781</u>	<u>4,054,790</u>
Cash at end of year	<u>\$5,672,463</u>	<u>\$4,304,781</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 4,773</u>

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2019 and 2018

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 either 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 is 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 is 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 is reimbursed by DPW for amounts paid to childcare providers.

For each of the years ended June 30, 2019 and 2018, approximately 96% 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 will be significantly reduced in fiscal year 2020. The League will no longer have these revenues or related expense subsequent to July 2019; the loss of such revenues is not expected to have a material impact on the League’s financial position or results of operations.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2019 and 2018

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 make 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- 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 restrictions or certain grantor. The Board has designated \$119,000 of its net assets without donor restrictions for each of the years ended June 30, 2019 and 2018 as an operating reserve account to enhance the overall long-term security for the League to fund its programs.

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, 2019 and 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[4] Revenue recognition:

Grant and fee revenue is generally recognized as expenditures are made for the particular contract or government grant. Grant revenue from private sources is recognized when received. Fee-for-service revenue is recognized when services are provided.

Special events revenue is recognized when the event takes place.

[5] Contributions:

Contributions are recognized when the donor makes a promise to the League that is unconditional. Contributions of assets other than cash are recorded at their estimated fair values at the date of donation.

[6] 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, 2019 and 2018, the League had an allowance for doubtful accounts of \$3,178 related to contributions receivable. As of both June 30, 2019 and 2018, the League had an allowance for doubtful accounts of \$-0- related to grants and fees receivable.

[7] 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.

[8] Certificates of deposit:

Certificates of deposit matured on August 10, 2018 and included an interest rate of 0.05%.

[9] Deferred revenue:

Deferred revenue consists of advances received for special events that have not yet taken place, unexpired membership dues and certain refundable advances.

[10] 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, 2019 and 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] 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, 2019 and 2018 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, 2019 or 2018.

[11] 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.

[12] New accounting pronouncement:

In August 2016, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 amends the presentation and disclosures to help not-for-profit organizations provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: a) net asset classes, b) investment return, c) expenses, d) liquidity and availability of resources, and e) presentation of operating cash flows. ASU 2016-14 is effective for annual reporting periods after December 15, 2017. The League has adopted the ASU as of and for the year ended June 30, 2019. The adoption of ASU 2016-14 required reclassification of net asset classes and additional disclosures related to liquidity and availability of resources and enhanced disclosures relating to allocation of functional expenses and Board designated net assets.

[13] Upcoming accounting pronouncements:

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, 2020, with early adoption permitted. Management is currently evaluating the effect that this new guidance will have on its financial statements and related disclosures.

In June 2018, FASB issued 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, with early adoption permitted. ASU 2018-08 should be applied on a modified prospective basis. Management is currently evaluating the effect that this new guidance will have on its financial statements and related disclosures and Board designated net assets.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2019 and 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[14] Reclassifications:

Certain amounts in the 2018 financial statements have been reclassified to conform to the current year presentation.

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 statement of financial position date, comprise the following as of June 30, 2019:

Current financial assets:	
Cash	\$ 5,672,463
Accounts receivable	57,048
Grants and fees receivable	<u>341,053</u>
	<u>\$ 6,070,564</u>

General expenditures include program service 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, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Corporate support	\$ 38,500	\$ 25,500
United Way allocation	6,250	-
United Way Donor Option, net of allowance for doubtful accounts of \$3,718 in both 2019 and 2018	<u>12,298</u>	<u>27,563</u>
	<u>\$ 57,048</u>	<u>\$ 53,063</u>

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2019 and 2018

NOTE E - GRANTS AND FEES RECEIVABLE

Grants and fees receivable as of June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Pennsylvania Department of Public Welfare	\$ -	\$ 68,897
School District of Philadelphia	65,832	55,000
Division of Housing and Community Development, City of Philadelphia	42,941	15,985
National Urban League/U.S. Department of Housing and Urban Development	42,832	-
National Urban League/ULEC	49,975	9,506
National Urban League/Urban Tech Jobs Program	36,069	48,437
Grants from corporations	-	1,400
Pennsylvania Women Work/Urban Tech	8,574	30,250
The City of Philadelphia/BTAP	14,830	37,893
Cheyney University - PA Dept of Education	80,000	-
	<u>\$ 341,053</u>	<u>\$ 267,368</u>

NOTE F - DUE TO OTHERS

Due to others as of June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Due to:		
Pennsylvania Department of Public Welfare	\$ 222,628	\$ 41,981
Various daycare providers	3,279,963	3,650,707
	<u>\$ 3,502,591</u>	<u>\$ 3,692,688</u>

NOTE G - DEFERRED REVENUE AND OTHER LIABILITIES

Deferred revenue and other liabilities as of June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Grants	\$ 90,500	\$ 3,500
Scholarships	-	52,037
Memberships and other	2,635	6,120
	<u>\$ 93,135</u>	<u>\$ 61,657</u>

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2019 and 2018

NOTE H - DEBT

The League had a note payable with United Bank in the amount of \$300,000 with interest at 6.25%. The note payable was paid off in January 2018.

The interest expense incurred on the note payable for the years ended June 30, 2019 and 2018 was \$-0- and \$4,773, respectively.

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to expenditures for specified purpose:		
Scholarships	\$ 58,094	\$ -
Subject to the passage of time	<u>-</u>	<u>53,063</u>
	<u><u>\$ 58,094</u></u>	<u><u>\$ 53,063</u></u>

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 as follows for the years June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Satisfaction of purpose restrictions:		
Scholarships	\$ 65,701	\$ 8,660
Expiration of time restriction	<u>-</u>	<u>139,000</u>
	<u><u>\$ 65,701</u></u>	<u><u>\$ 147,660</u></u>

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, 2019 and 2018, the annual contribution was \$27,888 and \$18,094, respectively, based on 2% of the employees' annual salaries.

NOTE K - LEASE COMMITMENTS - OPERATING LEASES

The League leases office space in Philadelphia under two operating leases, which expire in July 2019 and May 2021; rent is payable in monthly installments of \$19,851 and \$17,390, respectively. The lease expiring in July 2019 was not renewed. The League also leases office equipment with monthly lease payments ranging from \$700 to \$957; the equipment leases run through October 2023.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2019 and 2018

NOTE K - LEASE COMMITMENTS - OPERATING LEASES (CONTINUED)

Approximate minimum future rental payments under noncancelable operating leases having remaining terms in excess of one year as of June 30, 2019 are as follows:

<u>Year Ending June 30</u>	
2020	\$ 242,098
2021	204,496
2022	22,002
2023	22,002
2024	<u>7,334</u>
	<u>\$ 497,932</u>

Office rent and equipment leasing expense for the years ended June 30, 2019 and 2018 was \$426,456 and \$484,851, respectively.

NOTE L - GRANTS AND FEES

Grants and fees during the years ended June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Pennsylvania Department of Public Welfare	\$ 47,070,897	\$ 44,107,020
Grants from corporations/foundations	587,166	221,829
National Urban League/NeighborWorks	5,000	39,792
National Urban League/U.S. Department of Housing and Urban Development	42,832	-
National Urban League/Urban Tech Jobs Program	330,983	308,394
National Urban League/Entrepreneurship and Business Development	49,975	98,983
Office of Neighborhood Economic Development	50,000	52,254
Division of Housing and Community Development, City of Philadelphia	255,250	111,596
Homeowners' Emergency Mortgage Assistance Program and Pennsylvania Housing Finance Agency	50,872	17,820
Leadership tuition	350,475	207,303
School District of Philadelphia	417,079	303,780
Career Services fee income	-	125,837
Philadelphia Works	55,895	-
Cheyney	80,000	-
National Urban League/Project Reinvest	31,383	-
National Urban League/Equality and Excellence	28,750	-
Other	99,466	151,162
	<u>\$ 49,506,023</u>	<u>\$ 45,745,770</u>

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2019 and 2018

NOTE M - CONTRIBUTIONS

Contributions during the years ended June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
United Way Allocation	\$ 25,000	\$ -
United Way Donor Option	25,372	25,335
Scholarships	123,795	36,317
Corporate support	177,670	581,363
Other	73,967	165,199
	<u>\$ 425,804</u>	<u>\$ 808,214</u>

NOTE N - SPECIAL EVENTS

Special events revenue for the years ended June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Empowerment dinner	\$ 523,880	\$ 391,367
Urban League Night at the Fights	-	8,300
Whitney M. Young Luncheon	154,230	89,675
Guild events	42,200	32,626
NExT Philadelphia events	15,332	4,932
Unity Golf Classic	-	4,000
Fund development	30,000	26,050
Project Ready - Phillies	72,547	-
ULEC - Procurement Pitch - Capital One	10,509	-
Career Center - Lyft sponsorship	10,000	-
Housing Buyer Expo	5,100	-
	<u>863,798</u>	<u>556,950</u>
Less cost of direct benefit to donors	<u>(224,171)</u>	<u>(101,609)</u>
	<u>\$ 639,627</u>	<u>\$ 455,341</u>

NOTE O - CONCENTRATIONS OF CREDIT RISK

As of June 30, 2019 and 2018, 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.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2019 and 2018

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, 2019 and 2018, the League recognized \$105,047 and \$39,241, respectively, of in-kind contributions. In-kind contributions include legal fees, which are included in the management services component of support services on the statements of activities and changes in net assets.

NOTE Q - CONDITIONAL GRANTS

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, 2019 and 2018, \$75,000 and \$-0-, respectively, is included in deferred revenue and other liabilities and will be released as the conditions are met.

NOTE R - SUBSEQUENT EVENTS

The League has evaluated subsequent events through December 12, 2019, 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, 2019**

<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>
FEDERAL AWARDS				
<u>U.S. Department of Health and Human Services</u>				
Commonwealth of Pennsylvania, Department of Public Welfare:				
Child Care and Development Fund Cluster:				
Child Care and Development Block Grant	93.575	DC19-379292	07/01/18 - 06/30/19	\$ 11,418,142
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DC19-379292	07/01/18 - 06/30/19	<u>6,080,893</u>
Total under Child Care and Development Fund Cluster				17,499,035
Temporary Assistance for Needy Families	93.558	DC19-379292	07/01/18 - 06/30/19	8,551,944
Social Services Block Grant	93.667	DC19-379292	07/01/18 - 06/30/19	<u>1,637,467</u>
Total U.S. Department of Health and Human Services				<u>27,688,446</u>
<u>U.S. Department of Agriculture, Food and Nutrition Service</u>				
Commonwealth of Pennsylvania, Department of Public Welfare:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DC19-379292	07/01/18 - 06/30/19	<u>52,678</u>
<u>U.S. Department of Housing and Urban Development</u>				
Philadelphia Workforce Development Corporation:				
City of Philadelphia, Division of Housing and Community Development:				
Community Development Block Grant/Entitlement Grants	14.218	18-20206	08/01/17 - 07/31/18	4,568
Community Development Block Grant/Entitlement Grants	14.218	19-20113	07/01/18 - 06/30/19	255,250
City of Philadelphia, Department of Commerce:				
Community Development Block Grant/Entitlement Grants	14.218	19-20234	07/01/18 - 06/30/19	<u>50,000</u>
Total CFDA 14.218				309,818
National Urban League:				
Housing Counseling Assistance Program	14.169	N/A	07/01/18 - 06/30/19	<u>42,832</u>
Total U.S. Department of Housing and Urban Development				<u>352,650</u>

(continued)

THE URBAN LEAGUE OF PHILADELPHIA

**Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2019**

(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>
FEDERAL AWARDS (continued)				
<u>U.S. Department of Education</u>				
The School District of Philadelphia:				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	739C/F15	09/25/17 - 09/24/18	81,333
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	739D/F15	09/25/17 - 09/24/18	<u>340,746</u>
Total U.S. Department of Education				<u>422,079</u>
<u>U.S. Department of Labor, Employment and Training Administration</u>				
National Urban League:				
H-1B Job Training Grants	17.268	N/A	07/01/18 - 06/30/19	<u>330,983</u>
TOTAL FEDERAL AWARDS				<u>28,846,836</u>
STATE AWARDS				
Commonwealth of Pennsylvania, Department of Public Welfare	N/A	DC19-379292	07/01/18 - 06/30/19	19,329,773
Pennsylvania Housing Finance Agency	N/A	N/A	07/01/18 - 06/30/19	<u>40,422</u>
TOTAL STATE AWARDS				<u>19,370,195</u>
TOTAL FEDERAL AND STATE AWARDS				<u><u>\$ 48,217,031</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, 2019

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 expense. 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 2019 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	\$ 48,217,031
Grants from nongovernment-funded entities	883,542
Fees charged for The Urban League of Philadelphia programs	<u>405,450</u>
Grants and fees revenue per 2019 financial statements	<u><u>\$ 49,506,023</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, 2019, 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 12, 2019.

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.

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EISNERAMPER LLP
Philadelphia, Pennsylvania
December 12, 2019

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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, 2019. 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, 2019.



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.

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EISNERAMPER LLP
Philadelphia, Pennsylvania
December 12, 2019

SUPPLEMENTARY INFORMATION

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
The Urban League of Philadelphia

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Public Welfare ("DPW") and The Urban League of Philadelphia solely to assist you with respect to the financial schedules and exhibits required by the DPW Single Audit Supplement for the year ended June 30, 2019. The Urban League of Philadelphia's management is responsible for the financial schedules and exhibits. The sufficiency of the procedures is solely the responsibility of DPW and The Urban League of Philadelphia. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are as follows:

- a) We have compared the amounts and classifications of the information in the supplementary financial schedule listed below, which summarizes amounts reported to DPW for the fiscal year ended June 30, 2019, to audited books and records of The Urban League of Philadelphia. We also compared the example schedules to The Urban League of Philadelphia schedule and determined that it is presented, at a minimum, at the level of detail and in the format required by the DPW Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Page</u>	<u>Reference Schedule/Exhibit</u>
Child Care Information Services ("CCIS")	315	CCIS Recap Worksheet for FY 2018 - 2019

- b) We have inquired of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DPW for the period in question.
- c) The processes detailed in paragraphs a) and b) above did not disclose material adjustments or findings which have not been reflected on the corresponding schedule.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not, conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial schedules and exhibits. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We were engaged to perform an audit in accordance with the *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“*OMB Uniform Guidance*”), by The Urban League of Philadelphia as of and for the year ended June 30, 2019, and have issued our reports thereon dated December 12, 2019. The information in the financial schedules and exhibits required by the DPW Single Audit Supplement was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated December 12, 2019 was expressed in relation to the basic financial statements of The Urban League of Philadelphia taken as a whole.

The purpose of this report on applying the agreed-upon procedures is solely to describe the procedures performed on the financial schedules and exhibits required by the DPW Single Audit Supplement and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

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EISNERAMPER LLP
Philadelphia, Pennsylvania
December 12, 2019

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CCIS RECAP WORKSHEET FOR FY 2018-2019

CONTRACTOR: URBAN LEAGUE OF PHILADELPHIA
 FEDERAL ID NUMBER: 23-1429810
 CONTRACT NUMBER: DC19-379292

COUNTY(-IES): 21
 PREPARED BY: SHIRLEY P THOMAS
 PHONE NUMBER: 215-768-7543

	LOW INCOME		FORMER TANF		LI & FT TOTAL
	ADMIN/FSS	SERVICE	ADMIN/FSS	SERVICE	
REVENUE					
DPW Funds	\$1,775,353.00	\$20,741,632.99	\$1,339,876.00	\$17,270,173.26	\$41,127,035.25
Interest					\$0.00
Audit Adjustments					\$0.00
Other (eg. Penalties)					\$0.00
Other Offices' Recoupments		\$18,138.64			\$18,138.64
Recoupments Tied to Office		(\$7,831.16)			(\$7,831.16)
Interest Income		\$4,700.97			\$4,700.97
Client Overpayment Recoupment		\$3,259.00			\$3,259.00
Provider Prior Year Return Pymnt		\$8,647.77			\$8,647.77
					\$0.00
					\$0.00
TOTAL REVENUE	\$1,775,353.00	\$20,768,548.21	\$1,339,876.00	\$17,270,173.26	\$41,153,950.47
EXPENDITURES					
Final Report Totals	\$1,775,353.00	\$20,669,248.79	\$1,339,876.00	\$17,275,415.32	\$41,180,865.69
Carry Forward Amount					\$0.00
					\$0.00
					\$0.00
RECONCILED PROVIDER PYMNTS		(\$26,101.95)			(\$26,101.95)
					\$0.00
					\$0.00
					\$0.00
TOTAL EXPENDITURES	\$1,775,353.00	\$20,643,146.84	\$1,339,876.00	\$17,275,415.32	\$41,154,763.74
SUBTOTAL-LI/FT	\$1,775,353.00	\$125,401.37	\$1,339,876.00	(\$5,242.06)	\$3,235,388.31

SUMMARY FY 2018-19

REVENUE	
Service	\$43,629,160.51
FSS	\$3,664,364.45
SUBTOTAL	\$47,293,524.96
EXPENDITURES	
Service	\$43,405,503.78
FSS	\$3,665,393.00
SUBTOTAL	\$47,070,896.78
TOTAL DUE DPW	\$222,628.18

* If TOTAL DUE the Commonwealth is positive, issue check to the Commonwealth of Pennsylvanias in the amount listed. Include the check with the Recap Packet - to be received by OCDEL no later than 5:00 pm, Monday, September 16, 2019.

		TANF TRAINING	TANF WORKING	TANF STATE MOE	FOOD STAMPS	GENERAL ASSISTWVS 2	TANF TOTAL
REVENUE							
TANF/FSS/GA SERVICE	DPW Funds	\$3,045,657.82	\$1,206,511.98	\$1,236,864.07	\$94,041.24	\$7,363.93	\$5,590,439.04
	Interest						\$0.00
							\$0.00
							\$0.00
							\$0.00
							\$0.00
							\$0.00
TOTAL SERVICE		\$3,045,657.82	\$1,206,511.98	\$1,236,864.07	\$94,041.24	\$7,363.93	\$5,590,439.04
TANF/FSS FSS							
	DPW Funds	\$300,670.76	\$124,594.09	\$112,556.46	\$11,314.14		\$549,135.45
	Audit Adjustments						\$0.00
	Other (eg. Penalties)						\$0.00
	TOTAL FSS	\$300,670.76	\$124,594.09	\$112,556.46	\$11,314.14	\$0.00	\$549,135.45
TOTAL REVENUE		\$3,346,328.58	\$1,331,106.07	\$1,349,420.53	\$105,355.38	\$7,363.93	\$6,139,574.49
EXPENDITURES							
TANF/FSS/GA SERVICE	Final Report Totals	\$2,996,627.67	\$1,202,233.38	\$1,195,824.75	\$84,540.55	\$7,715.27	\$5,486,941.62
	Carry Forward Amount						\$0.00
							\$0.00
							\$0.00
							\$0.00
							\$0.00
							\$0.00
TOTAL SERVICE		\$2,996,627.67	\$1,202,233.38	\$1,195,824.75	\$84,540.55	\$7,715.27	\$5,486,941.62
TANF/FSS FSS							
	Final Report Totals	\$301,233.93	\$124,827.46	\$112,767.28	\$11,335.33	\$0.00	\$550,164.00
	Carry Forward Amount						\$0.00
							\$0.00
	TOTAL FSS	\$301,233.93	\$124,827.46	\$112,767.28	\$11,335.33	\$0.00	\$550,164.00
TOTAL EXPENDITURES		\$3,297,861.60	\$1,327,060.84	\$1,308,592.03	\$95,875.88	\$7,715.27	\$6,037,105.62
SUBTOTAL-TANF/FSS/GA/WS2		\$48,468.98	\$4,045.23	\$40,828.50	\$9,479.50	(\$351.34)	\$102,468.87

\$18,138.64
 (\$7,831.16)
 \$0.00
 \$4,700.97
 \$3,259.00
 \$0.00
 \$8,647.77
 \$26,915.22
 \$0.00
 \$20,741,632.99
 \$20,795,463.43

CERTIFICATION:

SIGNATURE _____

DATE 10/3/19

NAME SHIRLEY P THOMAS
 (please print)

TITLE DIRECTOR

COMMENTS:

**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 18-20206
 Schedule of Source and Status of Funds
 July 1, 2018 to June 30, 2019**

	<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>
Total contract (Final Authorized Budget)	<u>\$ 186,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,500</u>
Less:					
Funds drawn down, prior fiscal years	181,932	-	-	-	181,932
Funds drawn down, current fiscal year	<u>4,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,568</u>
Total funds drawn down	<u>186,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,500</u>
Funds still available for draw down	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total funds drawn down	\$ 186,500	\$ -	\$ -	\$ -	\$ 186,500
Add:					
Program income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds received	<u>186,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,500</u>
Less:					
Program income expended	-	-	-	-	-
Funds applied, prior years	-	-	-	-	-
Funds applied, current year	<u>4,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,568</u>
Total funds applied (actual expenses)	<u>4,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,568</u>
Total funds due to funding source	<u>\$ 181,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,932</u>
Total funds available for disposition	<u>\$ 181,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,932</u>

* Community Development Block Grant

THE URBAN LEAGUE OF PHILADELPHIA

City of Philadelphia, Division of Housing and Community Development
 Contract Number 18-20206
 Schedule of Program Expenditures
 Year Ended June 30, 2019

	Program Budget				Accrued Expenditures Prior to July 1, 2018				Accrued Expenditures July 1, 2018 to June 30, 2019				Accrued Expenditures Cumulative to June 30, 2019			
	CDBG * Funds	Other City Funds	NonCity Funds	Total	CDBG * Funds	Other City Funds	NonCity Funds	Total	CDBG * Funds	Other City Funds	NonCity Funds	Total	CDBG * Funds	Other City Funds	NonCity Funds	Total
Contract categories:																
Direct personnel	\$173,200	\$ -	\$ -	\$173,200	\$168,952	\$ -	\$ -	\$168,952	\$ 4,248	\$ -	\$ -	\$ 4,248	\$ 4,248	\$ -	\$ -	\$ 4,248
Fringe benefits	13,300	-	-	13,300	12,980	-	-	12,980	320	-	-	320	320	-	-	320
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	<u>\$186,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$186,500</u>	<u>\$181,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$181,932</u>	<u>\$ 4,568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,568</u>	<u>\$ 4,568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,568</u>

* Community Development Block Grant

THE URBAN LEAGUE OF PHILADELPHIA

City of Philadelphia, Division of Housing and Community Development

Contract Number 18-20206

Schedule of Program Income

July 1, 2018 to June 30, 2019

	<u>Sales Proceeds</u>	<u>Other (Specify)</u>	<u>Total</u>
Program income (cumulative to June 30, 2019)	\$ -	\$ -	\$ -
Less program income expended in prior years	<u>-</u>	<u>-</u>	<u>-</u>
Beginning balance, July 1, 2018	<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, 2019	<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 18-20206
Reconciliation Schedule
July 1, 2018 to June 30, 2019**

	Amount Per Books and Records	Amount Per Subrecipient Invoices	Differences
Contract amount	<u>\$ 186,500</u>	<u>\$ 186,500</u>	<u>\$ -</u>
Program costs:			
Current year	\$ 4,568	\$ 4,568	\$ -
Cumulative	<u>186,500</u>	<u>186,500</u>	<u>-</u>
Funds drawn down:			
Current year	4,568	4,568	-
Cumulative	<u>186,500</u>	<u>186,500</u>	<u>-</u>
Balance on advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE URBAN LEAGUE OF PHILADELPHIA

**City of Philadelphia, Division of Housing and Community Development
 Contract Number 19-20113
 Schedule of Source and Status of Funds
 July 1, 2018 to June 30, 2019**

	<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>
Total contract (Final Authorized Budget)	<u>\$ 255,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,250</u>
Less:					
Funds drawn down, prior fiscal years	-	-	-	-	-
Funds drawn down, current fiscal year	<u>255,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,250</u>
Total funds drawn down	<u>255,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,250</u>
Funds still available for draw down	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total funds drawn down	<u>\$ 255,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,250</u>
Add:					
Program income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds received	<u>255,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,250</u>
Less:					
Program income expended	-	-	-	-	-
Funds applied, prior years	-	-	-	-	-
Funds applied, current year	<u>255,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,250</u>
Total funds applied (actual expenses)	<u>255,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,250</u>
Total funds due to funding source	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total funds available for disposition	<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 19-20113
 Schedule of Program Expenditures
 Year Ended June 30, 2019

	Program Budget				Accrued Expenditures Prior to July 1, 2018				Accrued Expenditures July 1, 2018 to June 30, 2019				Accrued Expenditures Cumulative to June 30, 2019			
	CDBG * Funds	Other City Funds	NonCity Funds	Total	CDBG * Funds	Other City Funds	NonCity Funds	Total	CDBG * Funds	Other City Funds	NonCity Funds	Total	CDBG * Funds	Other City Funds	NonCity Funds	Total
Contract categories:																
Direct personnel	\$153,255	\$34,362	\$ -	\$187,617	\$ -	\$ -	\$ -	\$ -	\$153,255	\$34,362	\$ -	\$187,617	\$187,617	\$ -	\$ -	\$187,617
Fringe benefits	33,245	2,629	-	35,874	-	-	-	-	33,245	2,629	-	35,874	35,874	-	-	35,874
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
Contract total	<u>\$186,500</u>	<u>\$68,750</u>	<u>\$ -</u>	<u>\$255,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$186,500</u>	<u>\$68,750</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 19-20113
Schedule of Program Income
July 1, 2018 to June 30, 2019**

	<u>Sales Proceeds</u>	<u>Other (Specify)</u>	<u>Total</u>
Program income (cumulative to June 30, 2019)	\$ -	\$ -	\$ -
Less program income expended in prior years	<u>-</u>	<u>-</u>	<u>-</u>
Beginning balance, July 1, 2018	<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, 2019	<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 19-20113
 Reconciliation Schedule
 July 1, 2018 to June 30, 2019

	Amount Per Books and Records	Amount Per Subrecipient Invoices	Differences
Contract amount	<u>\$ 255,250</u>	<u>\$ 255,250</u>	<u>\$ -</u>
Program costs:			
Current year	\$ 255,250	\$ 255,250	\$ -
Cumulative	<u>255,250</u>	<u>255,250</u>	<u>-</u>
Funds drawn down:			
Current year	255,250	255,250	-
Cumulative	<u>255,250</u>	<u>255,250</u>	<u>-</u>
Balance on advances	<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, 2018 to June 30, 2019

	<u>CDBG *</u> <u>Funds</u>	<u>Project</u> <u>Funds</u>	<u>Total</u>
Total contract (Final Authorized Budget)	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Less:			
Funds drawn down, prior fiscal years	-	-	-
Funds drawn down, current fiscal year	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total funds drawn down	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Funds still available for draw down	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total funds drawn down	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Add:			
Program income	<u>-</u>	<u>-</u>	<u>-</u>
Total funds received	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Less:			
Program income expended	-	-	-
Funds applied, prior years	-	-	-
Funds applied, current year	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total funds applied (actual expenses)	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total funds due to funding source	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total funds available for disposition	<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, 2019

	<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>
Contract categories:						
Direct personnel	\$25,825	\$ -	\$25,825	\$25,825	\$ -	\$25,825
Fringe benefits	6,961	-	6,961	6,961	-	6,961
Operating consultants	15,578	-	15,578	15,578	-	15,578
Occupancy	1,292	-	1,292	1,292	-	1,292
Consumable supplies	200	-	200	200	-	200
Insurance	144	-	144	144	-	144
Contract total	<u>\$50,000</u>	<u>\$ -</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$ -</u>	<u>\$50,000</u>

* Community Development Block Grant

THE URBAN LEAGUE OF PHILADELPHIA

City of Philadelphia, Department of Commerce

Contract Number 19-20234

Reconciliation Schedule

July 1, 2018 to June 30, 2019

	<u>Amount According to Books and Records</u>	<u>Amount According to Invoices</u>	<u>Differences</u>
Contract amount	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$ -</u>
Program costs	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Funds drawn down	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Balance on advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>