

**THE URBAN LEAGUE OF PHILADELPHIA**  
**Consolidated Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

**HORSEY BUCKNER & HEFFLER**  

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*Accountants & Advisors*

**THE URBAN LEAGUE OF PHILADELPHIA**  
Consolidated Financial Statements  
For the Years Ended June 30, 2024 and 2023

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
of The Urban League of Philadelphia

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of The Urban League of Philadelphia (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Urban League of Philadelphia as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are required to be independent of The Urban League of Philadelphia and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

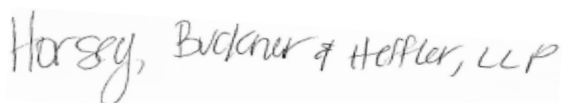
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

## *Accountants & Advisors*

- Obtain an understanding of internal control relevant to the audit 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 Urban League of Philadelphia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Urban League of Philadelphia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



May 13, 2025

## THE URBAN LEAGUE OF PHILADELPHIA

Consolidated Statements of Financial Position  
As of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<i>Current assets</i>		
Cash	\$ 3,881,794	\$ 4,638,605
Restricted Cash	71,832	212,271
Contributions receivable, net of allowance for doubtful accounts of \$0 and \$3,178 in 2024 and 2023	2,583	-
Grants receivable	1,357,291	415,547
Other receivable	122,089	23,500
Investments	5,856,007	5,591,693
Prepaid expense and other assets	104,254	36,938
Total current assets	11,395,850	10,918,554
Security deposits	58,761	83,183
Operating lease right of use asset	2,467,629	-
Property and equipment, net of accumulated depreciation	195,442	47,549
<b>Total Assets</b>	<u>\$ 14,117,682</u>	<u>\$ 11,049,286</u>
<b>LIABILITIES</b>		
<i>Current liabilities</i>		
Accrued expenses	\$ 55,971	\$ 192,174
Other Payables	-	2,466
Operating lease obligations, current portion	250,814	-
Refundable advance	2,513,701	1,866,496
Total current liabilities	2,820,486	2,061,136
<i>Long-Term Liabilities</i>		
Operating lease obligations, net of current portion	2,216,815	-
<b>Total Liabilities</b>	5,037,301	2,061,136
<b>NET ASSETS</b>		
Without donor restrictions	7,926,956	7,694,286
With donor restrictions	1,153,425	1,293,864
Total net assets	9,080,381	8,988,150
<b>Total liabilities and net assets</b>	<u>\$ 14,117,682</u>	<u>\$ 11,049,286</u>

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

# THE URBAN LEAGUE OF PHILADELPHIA

## Consolidated Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
Grants	\$ 5,478,572	\$ -	\$ 5,478,572	\$ 5,604,701	\$ 668,800	\$ 6,273,501
Contributions	2,028,832	27,550	2,056,382	4,344,469	212,271	4,556,740
Special events, net of cost of direct benefit to donors of \$136,646 in 2024 and 149,908 in 2023	56,905	-	56,905	393,625	-	393,625
Interest income	722	-	722	496	-	496
Other revenue	285,012	-	285,012	157,660	-	157,660
	7,850,043	27,550	7,877,593	10,500,951	881,071	11,382,022
Net assets released from restrictions	167,989	(167,989)	-	621,319	(621,319)	-
Total public support and revenue	8,018,032	(140,439)	7,877,593	11,122,270	259,752	11,382,022
<b>EXPENSES</b>						
<i>Program services</i>						
Advocacy and policy	1,856,675	-	1,856,675	1,437,001	-	1,437,001
Business and talent diversity	814,538	-	814,538	1,339,765	-	1,339,765
Community and economic development	3,609,370	-	3,609,370	4,264,316	-	4,264,316
Support services	1,504,779	-	1,504,779	1,047,857	-	1,047,857
Total expenses	7,785,362	-	7,785,362	8,088,939	-	8,088,939
Change in net assets	232,670	(140,439)	92,231	3,033,331	259,752	3,293,083
Net assets, at beginning of year	7,694,286	1,293,864	8,988,150	4,660,955	1,034,112	5,695,067
<b>Net assets, at end of year</b>	<b>\$ 7,926,956</b>	<b>\$ 1,153,425</b>	<b>\$ 9,080,381</b>	<b>\$ 7,694,286</b>	<b>\$ 1,293,864</b>	<b>\$ 8,988,150</b>

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

**THE URBAN LEAGUE OF PHILADELPHIA**  
Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2024

	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	\$ 496,479	\$ 282,519	\$ 992,286	\$ 1,771,284	\$ -	\$ 511,311	\$ 511,311	\$ 2,282,595
Benefits and taxes	84,797	42,495	191,458	318,750	-	107,982	107,982	426,732
Professional services	587,068	287,205	247,627	1,121,900	-	810,536	810,536	1,932,436
Meals, travel and meetings	45,926	12,114	11,806	69,846	-	71,628	71,628	141,474
Special Event	22,488	4,148	17,177	43,813	-	987	987	44,800
Office	9,190	2,963	4,689	16,842	-	23,139	23,139	39,981
Expendable equipment	1,477	1,968	9,596	13,041	-	33,726	33,726	46,767
Dues and memberships	448	-	575	1,023	-	15,619	15,619	16,642
Advertising	-	-	82	82	-	578	578	660
Occupancy	9,591	10,413	25,244	45,248	-	20,132	20,132	65,380
Utilities	-	922	-	922	-	35,012	35,012	35,934
Insurance	-	-	-	-	-	23,921	23,921	23,921
Bank and payroll fees	827	49	46	922	-	47,554	47,554	48,476
Scholarships	162,940	-	-	162,940	-	-	-	162,940
Administrative Allocations	120,000	52,000	128,000	300,000	-	(299,928)	(299,928)	72
Other	315,444	117,718	1,980,784	2,413,946	-	69,427	69,427	2,483,373
Total expenses before depreciation	1,856,675	814,514	3,609,370	6,280,559	-	1,471,624	1,471,624	7,752,183
Depreciation	-	24	-	24	-	33,155	33,155	33,179
Total expenses included in expenses section on the consolidated statement of activities and changes in net assets	1,856,675	814,538	3,609,370	6,280,583	-	1,504,779	1,504,779	7,785,362
<i>Plus expenses included with revenue on the consolidated statement of activities and changes in net assets</i>								
Special events - cost of direct benefit to donors								
Rent and facility costs	-	-	-	-	131,397	-	131,397	131,397
Awards	-	-	-	-	5,248	-	5,248	5,248
	-	-	-	-	136,645	-	136,645	136,645
<b>Total expenses</b>	<b>1,856,675</b>	<b>814,538</b>	<b>3,609,370</b>	<b>6,280,583</b>	<b>136,645</b>	<b>1,504,779</b>	<b>1,641,424</b>	<b>7,922,007</b>

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

**THE URBAN LEAGUE OF PHILADELPHIA**  
Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2023

	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	\$ 352,378	\$ 250,435	\$ 709,115	\$ 1,311,928	\$ -	\$ 238,834	\$ 238,834	\$ 1,550,762
Benefits and taxes	52,273	79,128	153,096	284,497	-	58,966	58,966	343,464
Professional services	540,379	580,820	281,751	1,402,950	-	758,939	758,939	2,161,889
Meals, travel and meetings	18,386	9,061	5,922	33,369	-	47,021	47,021	80,390
Special Events	70,819	9,580	74,297	154,696	-	2,589	2,589	157,285
Office	-	38	9,888	9,925	-	10,124	10,124	20,049
Expendable equipment	16,078	36,495	27,963	80,537	-	47,045	47,045	127,580
Dues and memberships	11,475	-	-	11,475	-	2,121	2,121	13,596
Advertising	-	207	-	207	-	3,132	3,132	3,339
Occupancy	32,007	30,745	81,618	144,370	-	49,323	49,323	193,693
Utilities	153	747	1,994	2,894	-	33,018	33,018	35,912
Insurance	-	-	-	-	-	17,632	17,632	17,631
Bank and payroll fees	541	1,348	378	2,268	-	24,121	24,121	26,389
Interest Expense	-	-	-	-	-	97	97	97
Scholarships	128,300	-	1,250	129,550	-	-	-	129,550
Administrative Allocation	103,848	97,134	230,089	431,070	-	(411,070)	(411,070)	20,000
Grants Made	-	-	1,446,500	1,446,500	-	-	-	-
Other Expenses	110,364	242,681	1,240,455	1,593,500	-	117,163	117,163	1,710,663
Total expenses before depreciation	1,437,001	1,338,419	4,264,316	7,039,736	-	999,055	999,055	8,038,791
Depreciation	-	1,346	-	1,346	-	48,802	48,802	50,148
Total expenses included in expenses section on the consolidated statement of activities and changes in net assets	1,437,001	1,339,765	4,264,316	7,041,082	-	1,047,857	1,047,857	8,088,939
<i>Plus expenses included with revenue on the consolidated statement of activities and changes in net assets</i>								
Special events - cost of direct benefit to donors	-	-	-	-	-	-	-	-
Food and Beverage	-	-	-	-	115,710	-	115,710	115,710
Consultants-Event Planner	-	-	-	-	21,680	-	21,680	21,680
Awards	-	-	-	-	851	-	851	851
Other	-	-	-	-	11,667	-	11,667	11,667
	-	-	-	-	149,908	-	149,908	149,908
<b>Total expenses</b>	<b>\$ 1,437,001</b>	<b>\$ 1,339,765</b>	<b>\$ 4,264,316</b>	<b>\$ 7,041,082</b>	<b>\$ 149,908</b>	<b>\$ 1,047,857</b>	<b>\$ 1,197,765</b>	<b>\$ 8,238,846</b>

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

**The Urban League of Philadelphia**  
Consolidated Statements of Cash Flows  
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	92,231	3,293,083
<i>Adjustments to reconcile change in net assets to net cash (used in)/provided by operating activities</i>		
Depreciation	33,179	50,148
Unrealized Gains	(264,314)	(94,678)
<b><i>Change in assets and liabilities</i></b>		
Contributions receivable	(2,583)	5,327
Grants receivable	(941,744)	781,912
Other receivable	(98,589)	33,150
Other payable	(2,466)	2,466
Prepaid expense and other assets	(67,316)	64,269
Security deposits	24,422	(73,544)
Accrued expenses	(136,203)	34,559
Deferred Income	-	(52,500)
Refundable advance	647,205	(160,251)
Net cash (used in)/provided by operating activities	<u>(716,177)</u>	<u>3,883,941</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of certificates of deposit	-	(5,591,693)
Acquisition of property and equipment	<u>(181,073)</u>	<u>-</u>
Net cash used in investing activities	<u>(181,073)</u>	<u>(5,591,693)</u>
Net decrease in cash	(897,250)	(1,707,752)
Cash, beginning of year	<u>4,850,876</u>	<u>6,558,628</u>
<b>Cash, end of year</b>	<u><u>3,953,626</u></u>	<u><u>4,850,876</u></u>
<u>Supplemental Disclosure of Non Cash Transaction:</u>		
<i>Right of use asset acquired from incurring lease obligation</i>	<u>\$ 2,467,629</u>	<u>\$ -</u>

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

**The Urban League of Philadelphia**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 1      ORGANIZATION AND DESCRIPTION OF PROGRAMS**

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.

In 2021, the League entered into a partnership with ULP Community Impact Financing LLC (the Company). The purpose of this agreement was to assist in providing housing and small business loans to African Americans and other people of color. The management of The Urban League of Philadelphia has determined that consolidation of the Company is required since The Urban League of Philadelphia exhibits a controlling financial interest in the Company based on The Urban League of Philadelphia having a 100% ownership in the Company.

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 Urban League of Philadelphia 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 Urban League of Philadelphia empowers African Americans and others to connect with self-sustaining employment opportunities via training opportunities, links to employers, or other employment services.

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

**The Urban League of Philadelphia**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 1      ORGANIZATION AND DESCRIPTION OF PROGRAMS** *(continued)*

*Community and Economic Development*

Housing counseling is provided to individuals who seek assistance for prepurchase counseling, fair-housing rights information, lending practices, money management, credit repair, budgeting, real estate selection, and relief from foreclosures and predatory lending. The Urban League of Philadelphia 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 Urban League of Philadelphia 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 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Consolidation & Basis of Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting. The consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The consolidated financial statements include the accounts of the League and the Company (collectively, the Organization). All significant intercompany accounts, transactions, and balances are eliminated in the consolidation process. For the years ended June 30, 2024 and 2023 there were no transactions that were subject to elimination in the consolidation process.

Classification of Net Assets

Net assets, revenue, 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 certain 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.

**The Urban League of Philadelphia**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Use of Estimates

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

Revenue Recognition – Contributions

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

The Organization recognizes unconditional contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. As of June 30, 2024 and 2023, there were conditional contributions of \$2,513,701 and \$1,866,496, respectively, which are included in refundable advances on the consolidated statements of financial position.

Special events revenue is bifurcated into an exchange transaction component and a contribution component. The exchange transaction component is considered to be the fair value of benefits received by an attendee. The transaction price is the fair value that is estimated by management for each event based on an analysis of the benefits received by the attendee. The contribution component is considered to be the amount over and above the fair value for which the attendee does not receive commensurate value. Revenue is recognized at the point in time when the event takes place as that is when the Organization's sole obligation to perform is satisfied and when the barriers are overcome. Payments for special events are generally required to be made when registration for the event occurs or sponsorships are made. All special events revenue is included under public support revenue as management has determined that the split between fair value and contribution is not material. For the years ended of June 30, 2024 and 2023 there were no special events conditional contributions.

**The Urban League of Philadelphia**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Revenue Recognition – Contributions *(continued)*

A portion of the grants the Organization receives are cost reimbursement government grants. These grants provide funding to be used for purposes indicated in the grant agreements. As the government is not receiving a benefit as a result of these transactions, the grants are considered to be contributions to the Organization. The grant agreements contain specific service requirements. As these stipulations create a barrier that must be achieved, and any amounts not expended must be returned, government grants are considered to be conditional contributions until such time as the barriers are overcome. Contributions from these grant agreements are, therefore, recognized as revenue when costs are incurred and specific service requirements are met, as required by the agreements. Until the financial information required by the funding sources is accepted, costs billed for program services under cost reimbursement contracts are subject to review and possible disallowance. In management's opinion, the potential for material disallowances is remote and, therefore, is not a barrier that would prevent the recognition of revenue. The Organization received no funds in advance of service requirements being met as of either June 30, 2024 or 2023. There were no conditional amounts recognized on government grants in progress as of June 30, 2024 and 2023.

Restricted Cash

Restricted cash totaling \$71,832 and \$212,271 as of June 30, 2024 and 2023, respectively, is limited in use and was held in separate bank accounts for ULP Community Impact Financing LLC operations and scholarships accordingly.

Contributions, Grants and Other Receivables

The Organization evaluates its receivables for contributions and grants and fees on a periodic basis to determine collectability. Contributions and grants receivable bad debts are provided for on the allowance method based on history of past write-offs and collections. Accounts are written off when they are deemed uncollectable. As of June 30, 2023, the Organization had an allowance for doubtful accounts of \$3,178 related to contributions receivable. As of June 30, 2024 the Organization did not deem an allowance for doubtful accounts related to contributions and grants receivable necessary.

Management provides the estimate of the expected allowance for credit losses for other receivables. This estimate is derived from a review of the Organization's historical experience and management's evaluation of outstanding other receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. Balances that are still outstanding after the Organization has used reasonable efforts are written off through a charge to operations. There was no allowance for credit losses for the year ended June 30, 2024.

**The Urban League of Philadelphia**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

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 the change in net assets for the year.

The Organization will record impairment losses on long-lived assets when events and circumstances indicate that the assets are less than the carrying amounts. There was no impairment loss recognized for the years ended June 30, 2024 and 2023.

Refundable Advance

Refundable advance consists of advances received for grants that have not yet been earned in accordance with the grant agreement.

Investments

Investments, stated at fair value as of June 30, 2024 and 2023, consist of fixed income, U.S. Treasuries with a Moody Rating of Aaa, annual maturities and estimated yields between 1.15%-2.93%. Investment income included unrealized gains of \$264,314 and \$94,678 for the years ended June 30, 2024 and 2023, respectively, which was included in other revenue in the consolidated statement of activities and changes in net assets.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This guidance establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.
- Level 3: Inputs to the valuation methodology are unobservable.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Organization's investments at June 30, 2024 and 2023 are categorized as Level One.

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

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) and is not considered to be a private foundation as defined in Section 509(a) of the Code. The consolidated entity, ULP Community Impact Financing LLC, is a single member nonprofit limited liability company, wholly owned by the tax-exempt parent organization (Urban League of Philadelphia). The LLC is not required to obtain its own tax exempt status and its financial activity is intended to be reported as part of the parent organization's activity.

U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability, if the Organization has taken an uncertain tax position that more-likely-than-not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. Should the tax-exempt status or any tax filing matter be challenged in the future, the Organization's last three tax years are open for examination by the IRS.

Functional Allocation of Expense

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

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

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**NOTE 3      LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following as of June 30, 2024 and 2023:

	<u>June 30, 2024</u>	
	<u>2024</u>	<u>2023</u>
Current financial assets:		
Cash	\$       3,881,794	\$       4,638,605
Contributions receivable	2,583	-
Other receivable	122,089	23,500
Grants receivable	1,357,291	415,547
Investments	5,856,007	5,591,693
	<u>\$       11,219,764</u>	<u>\$       10,669,345</u>

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

**NOTE 4      CONTRIBUTIONS RECEIVABLE**

Contributions receivable are expected to be received in less than one year. Contributions receivable as of June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
United Way Donor Option, net of allowance for doubtful accounts of \$3,178 in 2023	\$       2,583	\$       -
	<u>\$       2,583</u>	<u>\$       -</u>

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**NOTE 5 GRANTS RECEIVABLE**

Grants receivable as of June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Division of Housing and Community Development, City of Philadelphia	\$ 159,935	\$ 64,218
National Urban League/DOL	83,106	63,391
National Urban League/ULEC	122	117,160
National Urban League/HUD	-	48,876
The City of Philadelphia/BTAP	20,269	27,776
Cheyney University - PA Dept of Education	40,000	67,329
Supply Philly	56,762	-
CEG-Community Expansion-Gun Violence program	101,690	1,292
State grant GV	29,355	25,505
Forum	866,052	-
	<u>\$ 1,357,291</u>	<u>\$ 415,547</u>

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment as of June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Furniture, fixtures and equipment	\$ 208,178	\$ 30,705
Building	29,162	-
Construction in progress	-	25,563
	237,340	56,268
Less: Accumulated depreciation	41,898	8,719
	<u>\$ 195,442</u>	<u>\$ 47,549</u>

Depreciation for the years ended June 30, 2024 and 2023 was \$33,179 and \$50,148, respectively. The Organization recognized disposals of 103,704 during the 2023 fiscal year.

Construction in progress consisted of costs incurred renovating a building associated with the HUD – “A Home for Returning Citizens” program, which was placed in service during the year ended June 30, 2024.

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**NOTE 7      REFUNDABLE ADVANCE**

Refundable advance as of June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Grants	\$ 2,513,701	\$ 1,689,996
Special events	-	176,500
	<u>\$ 2,513,701</u>	<u>\$ 1,866,496</u>

**NOTE 8      NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or period as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<i>Subject to expenditures for specified purposes</i>		
Scholarships	\$ 71,832	\$ 212,271
PECO (For Years 25/26)	230,000	230,000
William Penn youth camp	118,800	118,800
Commonwealth of PA-for voting	200,000	200,000
Other	182,793	182,793
Education advocacy	350,000	350,000
	<u>\$ 1,153,425</u>	<u>\$ 1,293,864</u>

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<i>Satisfaction of purpose restrictions</i>		
Scholarships	\$ 167,989	\$ 87,497
Urban Tech programs	-	70,022
Education advocacy	-	345,000
William Penn youth camp	-	118,800
	<u>\$ 167,989</u>	<u>\$ 621,319</u>

**NOTE 9      TAX-DEFERRED ANNUITY PLAN**

In accordance with Internal Revenue Code Section 403(b), the Organization sponsors an employer contributory tax-deferred annuity plan that covers substantially all employees who have completed 1,000 hours of service. The plan provides for employer discretionary contributions, which are determined on an annual basis. For the years ended June 30, 2024 and 2023, the annual contribution was \$ 12,423 and \$10,284, respectively. Effective during fiscal year 2024, the contribution was based on 3% of the employees' annual salaries; previously, the 2023 contribution was based on 2%.

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**NOTE 10      LEASES**

The Organization leases its office space under an operating lease with a 10 year initial term. The lease includes a renewal option which can extend the lease term up to 5 years. The exercise of this renewal option is at the sole discretion of the Organization, and only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

The lease agreement does not include any material residual value guarantees or restrictive covenants. The following summarizes the line items in the consolidated statement of financial position which includes amounts for operating leases as of June 30, 2024:

Operating lease right-of-use asset	\$            2,467,629
Current portion of operating lease liabilities	250,814
Operating lease liabilities	<u>2,216,815</u>
Total Operating Lease Liabilities	<u><u>\$            2,467,629</u></u>
Weighted average remaining lease term	10 years
Weighted average discount rate	5.00%

The maturities of operating lease liabilities as of June 30, 2024 are as follows:

2025	\$    250,858
2026	293,008
2027	300,304
2028	307,804
2029	315,508
2030-2034	<u>1,789,858</u>
Total lease payments	3,257,339
Less: Interest	<u>(789,710)</u>
Present value of lease liability	<u><u>\$   2,467,629</u></u>

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**NOTE 11      GRANTS**

Grants and fees during the years ended June 30, 2024 and 2023 consisted of the following:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Grants from corporations/foundations	\$ 2,342,988	\$ 4,104,029
National Urban League/U.S. Department of Housing and Urban Development	48,875	50,000
National Urban League/Urban Tech Jobs Program	-	26,545
National Urban League/Entrepreneurship and Business Development	80,922	346,766
Office of Neighborhood Economic Development	73,045	75,000
Division of Housing and Community Development, City of Philadelphia	684,652	602,500
CEG-Community Expansion Grant for Gun Violence	101,690	-
Homeowners' Emergency Mortgage Assistance Program and Pennsylvania Housing Finance Agency	161,500	-
Leadership Tuition	242,950	279,300
National Urban League/Equality and Excellence	-	15,000
Commonwealth of Pennsylvania - Pennsylvania Housing Finance Agency/First Time Home Buyers Program	234,016	145,267
PA Vote	-	200,000
City of Philadelphia, Department of Commerce Urban Tech	-	115,000
Workforce Ready to Work	1,507,434	109,000
Neighborworks	500	95,500
Other	-	109,594
	<u><u>\$ 5,478,572</u></u>	<u><u>\$ 6,273,501</u></u>

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**NOTE 12 CONTRIBUTIONS**

Contributions during the years ended June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Scholarships	\$ 117,745	\$ 145,255
Foundation support	897,000	3,650,000
Memberships	-	13,884
Corporate support	996,867	568,256
Other	43,870	179,345
Scholarship Admin Fee	900	-
	<u>\$ 2,056,382</u>	<u>\$ 4,556,740</u>

**NOTE 13 SPECIAL EVENTS**

Special events revenue for the years ended June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Empowerment dinner	\$ 71,300	\$ 382,571
Whitney M. Young Luncheon	101,386	160,962
Guild Events	14,220	-
NExT Philadelphia events	5,999	-
Whitney M. Young Luncheon	646	-
	193,551	543,533
Less: Cost for direct benefit to donors	(136,646)	(149,908)
	<u>\$ 56,905</u>	<u>\$ 393,625</u>

**NOTE 14 CONCENTRATIONS OF CREDIT RISK**

As of June 30, 2024 and 2023, the Organization maintained cash accounts with a bank that exceeded the limit of insurability under the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on its cash balances.

Grants revenue concentration

Credit risk for grants revenue is concentrated because 50% of the balances are dependent upon receipts from government entities. Grants revenue are subject to credit risk because the realization of these items is dependent on various economic conditions.

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**NOTE 15      CONTRIBUTED SERVICES**

Contribution of services is recognized by the Organization as both revenue and expense in the accompanying consolidated statements of activities and changes in net assets, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. For the year ended June 30 2023, the Organization recognized \$15,930 of in-kind contributions. In-kind contributions included legal fees for 2023 which are included in the management services component of support services on the consolidated statements of activities and changes in net assets. The amount recorded is based on fair value for the services provided and did not have donor-imposed restrictions. There were no in kind contributions recognized for the year ended June 30, 2024.

**NOTE 16      CONTINGENCIES**

From time to time, the Organization is involved in litigation in the course of business. Management has concluded that such litigation will not have a material impact on the consolidated financial statements for the year ended June 30, 2024.

**NOTE 17      SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through May 13, 2025, which is the date the consolidated financial statements were available to be issued.

Subsequent to June 30, 2024, the Organization formally changed its name to The Urban League of Greater Philadelphia.