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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Urban League of Broward County, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Urban League of Broward County, Inc. and its subsidiaries ("ULBC"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ULBC and its subsidiaries as of June 30, 2021 and 2020, 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.

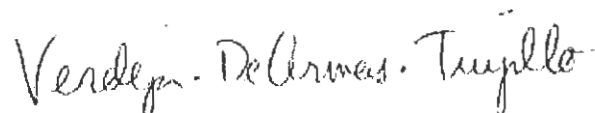
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of state financial assistance, as required by Chapter 10.650 Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and is not a required part of the financial statements. The consolidating information on pages 37 and 38 is presented for the purpose of additional analysis and is not part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021 on our consideration of ULBC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 ULBC's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 14, 2021

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,195,537	\$ 3,874,660
Restricted cash	4,325,098	4,873,867
Investments	3,586,236	3,173,016
Grants and contracts receivable	2,116,828	1,268,137
Loan receivables, current	101,140	56,836
Contributions receivable, net	15,000	15,000
Prepaid expenses and other assets	66,467	541,794
TOTAL CURRENT ASSETS	<u>16,406,306</u>	<u>13,803,310</u>
Contribution receivable, net	30,990	30,990
SB loan fund receivable	500,000	500,000
Loan receivable	883,664	661,407
Endowment	111,334	87,326
Housing inventory	1,008,493	1,039,781
Bond issue costs	74,751	82,226
Property and equipment, net	5,433,564	5,466,326
TOTAL ASSETS	<u>\$ 24,449,102</u>	<u>\$ 21,671,366</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 680,889	\$ 530,407
Accrued payroll	191,514	159,372
Accrued vacation	135,511	160,476
Refundable advances and deferred revenue	2,878,295	712,913
CEC mortgage loan payable - current	193,264	170,361
Small business loan fund - accrued interest	23,891	21,391
TOTAL CURRENT LIABILITIES	<u>4,103,364</u>	<u>1,754,920</u>
NSP loan covenant	1,047,178	1,047,178
Loan loss reserve	102,300	102,300
Note payable - Payroll Protection Program	782,884	782,884
CEC mortgage loan payable	2,244,035	2,425,853
Small business loan fund	1,500,000	1,250,000
TOTAL LIABILITIES	<u>9,779,761</u>	<u>7,363,135</u>
NET ASSETS		
Without donor restrictions - board designated	583,969	583,969
Without donor restrictions	9,649,477	9,418,688
With donor restrictions	4,435,895	4,305,574
TOTAL NET ASSETS	<u>14,669,341</u>	<u>14,308,231</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 24,449,102</u>	<u>\$ 21,671,366</u>

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

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	With Donor Restrictions			Total
	Without Donor Restrictions	Other Donor Restricted Funds	Gifts Restricted in Perpetuity	
PUBLIC SUPPORT AND REVENUE				
Federal grants	\$ 499,325	\$ -	\$ -	\$ 499,325
State grants	3,988,323	-	-	3,988,323
Broward County grants	943,028	-	-	943,028
United Way	189,533	-	-	189,533
Foundation grants	2,765,027	-	-	2,765,027
In-kind contributions	175,160	-	-	175,160
Other contributions	711,684	-	-	711,684
TOTAL PUBLIC SUPPORT	9,272,080	-	-	9,272,080
REVENUE				
Special events, net	600	-	-	600
Rental income	164,638	-	-	164,638
Other revenue	27,880	-	-	27,880
TOTAL PUBLIC SUPPORT AND REVENUE	9,465,198	-	-	9,465,198
EXPENSES				
Program services:				
Education	3,463,982	-	-	3,463,982
Housing	576,589	-	-	576,589
Jobs	920,636	-	-	920,636
Health	954,831	-	-	954,831
Small business initiatives	1,087,206	-	-	1,087,206
Total Program Services	7,003,244	-	-	7,003,244
Subsidiary services:				
CCCCDC - Affordable Housing CHDO	881,583	-	-	881,583
Urban Pompano, Inc.	24,005	-	-	24,005
Urban Ventures, LLC	345,353	-	-	345,353
Total Subsidiary Services	1,250,941	-	-	1,250,941
Supporting services:				
Fund development	242,153	-	-	242,153
General and administration	580,665	-	-	580,665
Total supporting services	822,818	-	-	822,818
TOTAL EXPENSES	9,077,003	-	-	9,077,003
Net assets released from restrictions	(101,762)	106,313	(4,551)	-
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	286,433	106,313	(4,551)	388,195
Non-operating Activities				
Capital campaign	27,922	-	-	27,922
Investment income	426,334	-	28,559	454,893
Impairment loss	(509,900)	-	-	(509,900)
Total change from non-operating activities	(55,644)	-	28,559	(27,085)
TOTAL CHANGE IN NET ASSETS	230,789	106,313	24,008	361,110
NET ASSETS - beginning net assets	10,002,657	4,218,248	87,326	14,308,231
NET ASSETS - ending net assets	<u>\$ 10,233,446</u>	<u>\$ 4,324,561</u>	<u>\$ 111,334</u>	<u>\$ 14,669,341</u>

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

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions		Total
		Other Donor Restricted Funds	Gifts Restricted in Perpetuity	
PUBLIC SUPPORT AND REVENUE				
Federal grants	\$ 679,059	\$ -	\$ -	\$ 679,059
State grants	3,938,938	-	-	3,938,938
Broward County grants	911,535	-	-	911,535
United Way	190,330	-	-	190,330
Foundation grants	2,049,465	-	-	2,049,465
In-kind contributions	115,140	-	-	115,140
Other contributions	195,923	-	-	195,923
TOTAL PUBLIC SUPPORT	8,080,390	-	-	8,080,390
REVENUE				
Special events, net	357,604	-	-	357,604
Rental income	240,283	-	-	240,283
Other revenue	102,790	-	-	102,790
TOTAL PUBLIC SUPPORT AND REVENUE	8,781,067	-	-	8,781,067
EXPENSES				
Program services:				
Education	3,630,461	-	-	3,630,461
Housing	726,206	-	-	726,206
Jobs	687,967	-	-	687,967
Health	799,565	-	-	799,565
Small business initiatives	1,076,960	-	-	1,076,960
Total Program Services	6,921,159	-	-	6,921,159
Subsidiary services:				
CCCDC - Affordable Housing CHDO	516,877	-	-	516,877
Urban Pompano, Inc.	60,827	-	-	60,827
Urban Ventures, LLC	455,095	-	-	455,095
Total Subsidiary Services	1,032,799	-	-	1,032,799
Supporting services:				
Fund development	485,511	-	-	485,511
General and administration	480,169	-	-	480,169
Total supporting services	965,680	-	-	965,680
TOTAL EXPENSES	8,919,638	-	-	8,919,638
Assets released from restrictions	144,232	(138,967)	(5,265)	-
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	5,661	(138,967)	(5,265)	(138,571)
Non-operating Activities				
Investment income	134,140	-	25	134,165
Board designated activities	(86,979)	-	-	(86,979)
Total change from non-operating activities	47,161	-	25	47,186
TOTAL CHANGE IN NET ASSETS	52,822	(138,967)	(5,240)	(91,385)
NET ASSETS - beginning net assets	9,949,835	4,357,215	92,566	14,399,616
NET ASSETS - ending net assets	\$ 10,002,657	\$ 4,218,248	\$ 87,326	\$ 14,308,231

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

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 361,110	\$ (91,385)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	242,719	325,956
Decrease in allowance for doubtful accounts	26,560	-
Investment unrealized gains	(234,329)	(86,897)
Loss on impairment	509,900	-
Donated assets	(171,194)	-
Changes in operating assets and liabilities		
(Increase) decrease in operating assets:		
Contributions receivable	-	19,225
Grants and contracts receivable	(875,251)	(514,921)
Prepaid expenses and other assets	(34,573)	111,404
Increase (decrease) in operating liabilities:		
Accounts, fiscal payable and accrued expenses	160,159	71,174
Refundable advances and deferred revenues	2,165,382	137,818
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>2,150,483</u>	<u>(27,626)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(19,238)
Purchase of investments	(202,899)	(41,233)
NET CASH USED IN INVESTING ACTIVITIES	<u>(202,899)</u>	<u>(60,471)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on CEC mortgage loan, net of amortization of bond costs	(158,915)	(159,174)
Purchases of loan receivables	(309,500)	-
Proceeds from note payable	250,000	782,884
Repayment of loan receivables	42,939	26,235
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(175,476)</u>	<u>649,945</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,772,108	561,848
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,748,527	8,186,679
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,520,635</u>	<u>\$ 8,748,527</u>
DISPLAYED AS:		
Cash and cash equivalents	\$ 6,195,537	\$ 3,874,660
Restricted cash and cash equivalents	4,325,098	4,873,867
Total cash	<u>\$ 10,520,635</u>	<u>\$ 8,748,527</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest during the year	<u>\$ 123,319</u>	<u>\$ 126,853</u>

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

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

Account Description	Program Services					Subsidiary Services			Support Services		Total
	Housing	Jobs	Education	Small Business Initiatives	Health	CCCDC	Urban Pompano	Urban Ventures	Fund Development	General & Administration	
Salaries, benefits and payroll taxes	\$ 413,145	\$ 415,430	\$ 1,106,347	\$ 323,099	\$ 746,381	\$ 542,016	\$ 12,164	\$ -	\$ 185,835	\$ 385,156	\$ 4,129,573
Professional fees	94,767	3,250	66,094	75,078	23,902	81,496	2,529	1,260	1,165	12,928	362,469
Telephone & network	18,524	18,451	44,629	9,670	31,646	23,403	192	-	11,030	33,035	190,580
Postage	284	31	310	13	51	34	3	-	250	2	978
Office supplies	128	4,071	618	3,212	12,294	120	1	2,913	281	4,779	28,417
Conferences & meetings	-	25	581	385	455	-	-	-	2,386	3,034	6,866
Program services	14	49,852	110,742	7,750	45,982	40,000	-	7,595	20,701	23,422	306,058
Program supplies	391	290	12,795	-	7,867	-	-	-	1,000	685	23,028
Contracted services	-	365,000	1,993,474	622,539	-	-	-	-	-	-	2,981,013
Travel	50	-	-	-	1,270	-	-	-	-	4,397	5,717
Printing & publications	169	189	464	153	326	197	3	-	3,824	1,379	6,704
Dues & subscriptions	-	-	-	95	-	1,350	-	-	367	13,263	15,075
Donated services/expenses	-	-	2,800	-	-	-	-	-	-	1,000	3,800
Advertising	1,171	6,700	2,788	9,603	8,829	1,381	-	-	4,190	5,000	39,662
Occupancy	27,071	30,334	89,429	28,851	56,208	94,971	345	5,545	7,985	60,004	400,743
Equipment rental & repair	3,448	3,621	8,564	1,779	6,059	14,423	2,403	13,805	925	4,050	59,077
Licenses & fees	3,403	270	744	1,229	553	880	3	144	75	2,768	10,069
Bank charges	-	-	-	-	-	410	30	-	-	9,540	9,980
Auto	-	-	-	-	-	-	-	-	-	4,968	4,968
Insurance	7,534	7,916	18,739	3,750	12,678	33,516	68	-	2,006	8,448	94,655
Interest	-	-	-	-	-	13,579	-	109,740	-	-	123,319
Depreciation	-	-	-	-	-	31,288	-	203,953	-	-	235,241
Miscellaneous	-	-	-	-	330	232	1	398	133	2,807	3,901
Bad debt	6,490	15,206	4,864	-	-	-	-	-	-	-	26,560
Tax fees	-	-	-	-	-	2,287	6,263	-	-	-	8,550
Total Expenses	\$ 576,589	\$ 920,636	\$ 3,463,982	\$ 1,087,206	\$ 954,831	\$ 881,583	\$ 24,005	\$ 345,353	\$ 242,153	\$ 580,665	\$ 9,077,003

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

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

Account Description	Program Services					Subsidiary Services			Support Services			Total
	Housing	Jobs	Education	Small Business	Health	CCCDC	Urban Pompano	Urban Ventures	Fund Development	Board Designated	General & Administratio	
Salaries, benefits and payroll taxes	\$ 563,351	\$ 530,732	\$ 1,256,718	\$ 450,026	\$ 523,664	\$ 281,464	\$ 41,697	\$ -	\$ 196,166	\$ 11,077	\$ 271,797	\$ 4,126,692
Professional fees	47,176	3,692	35,949	33,836	3,665	56,125	5,845	21,027	9,699	64,426	38,140	319,580
Telephone & network	29,280	27,729	61,786	17,222	27,683	13,365	1,859	-	10,724	1,049	22,994	213,691
Postage	634	398	983	235	396	112	231	-	652	15	677	4,333
Office supplies	1,000	996	7,782	1,518	1,769	1,838	378	250	2,187	20	9,398	27,136
Conferences & meetings	4,610	243	2,877	3,258	367	-	1,782	28,044	40,882	1,440	25,976	109,479
Program services	16	44,631	88,286	4,072	154,795	-	422	51	5,602	-	8,239	306,114
Program supplies	230	2,081	16,864	763	7,330	-	-	640	3,306	166	598	31,978
Contracted services	-	-	1,974,427	509,226	-	-	-	-	-	-	-	2,483,653
Travel	(25)	3,316	4,125	1,281	3,922	1,892	225	-	25	-	2,190	16,951
Printing & publications	4,310	3,375	6,305	1,770	2,727	1,212	315	45	2,251	482	3,014	25,806
Dues & subscriptions	-	-	-	709	-	-	15	-	1,105	-	23,430	25,259
Donated services/expenses	-	-	-	-	-	-	-	-	115,140	-	-	115,140
Advertising	172	1,000	1,900	3,164	1,136	506	18	-	59,551	6,063	2,533	76,043
Occupancy	45,100	41,170	109,982	35,727	43,853	71,362	3,324	1,562	8,237	1,292	31,082	392,691
Equipment rental & repair	17,367	16,313	35,898	8,121	16,480	14,111	1,042	336	3,732	459	11,319	125,178
Licenses & fees	2,392	1,785	4,357	2,123	1,794	1,091	59	1,844	4,399	62	1,538	21,444
Bank charges	-	-	-	(1,565)	-	4,091	30	1,742	-	-	8,453	12,751
Special events	-	-	-	-	-	-	-	-	636	-	-	636
Auto	-	-	20	-	8	-	259	-	-	-	7,056	7,343
Insurance	10,593	10,506	22,117	5,127	9,976	23,709	609	-	2,173	428	6,864	92,102
Interest	-	-	-	-	-	12,500	-	114,353	-	-	-	126,853
Depreciation	-	-	-	-	-	31,288	-	285,025	17,850	-	(17,850)	316,313
Miscellaneous	-	-	85	347	-	-	267	176	1,194	-	22,703	24,772
Tax fees	-	-	-	-	-	2,211	2,450	-	-	-	18	4,679
Total Expenses	\$ 726,206	\$ 687,967	\$ 3,630,461	\$ 1,076,960	\$ 799,565	\$ 516,877	\$ 60,827	\$ 455,095	\$ 485,511	\$ 86,979	\$ 480,169	\$ 9,006,617

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

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF OPERATIONS

Organization

The Urban League of Broward County, (“ULBC”) was founded in 1974 as a not-for-profit social and human services organization by a diverse group of community leaders to alleviate some of the racial tensions brought on by forced desegregation of the county’s public schools. The ULBC, which was given affiliate status in 1975 as the National Urban League’s 94th affiliate, employs 64 employees and directly serves over 13,000 people annually. The ULBC is widely regarded as one of the most progressive Urban League affiliates in the nation.

Established in 1910, the National Urban League, headquartered in New York City, spearheads the non-partisan efforts of the 90 local affiliates. The National Urban League is the nation’s oldest and largest community-based movement devoted to empowering African Americans.

The Urban League of Broward County has three subsidiaries, as follows:

- Central County Community Development Corporation (“CCCDC”), was established in 1993 initially for the purpose to acquire, develop, sponsor, purchase and rehabilitate deteriorating and/or substandard housing for subsequent sale and/or rental at affordable prices to residents of low and moderate incomes. The CCCDC also provides support for community development and economic development activities, such as small business lending and loan funds. CCCDC is also recognized as a Community Development Housing Organization (“CHDO”) certified by the Florida Housing Finance Corporation and Broward County, Florida;
- Urban Pompano, Inc. is a Florida corporation established to serve as General Partner in the Oaks of Pompano, Limited, a Florida limited partnership, along with the Cornerstone Limited Partner, LLC as the Managing General Partner and John Hancock as the Limited Partner. Urban Pompano as a general partner has a .02% interest in the project. The general partnership structure was not affected when the tax credits expired in 2013 and the project was refinanced eliminating John Hancock as the Limited Partner. Oaks of Pompano is a multi-family mixed income rental community in Pompano, Florida constructed in 1996 with 224 units as a low income housing tax credit project. In addition, the partnership has executed a land use restriction which requires utilization of the project for a minimum of 30 years (affordability period).
- Urban Ventures is a single purpose entity created to hold a specific real estate asset, the Community Empowerment Center, and its related leasing. The entity was established by the Board of Directors as a risk mitigation strategy and also to allow for the lease of the Community Empowerment Center to the parent company, Urban League of Broward County, Inc.

Mission

The mission of the Urban League of Broward County is to enable African-Americans and others in historically underserved communities to secure economic self-reliance, parity, power, and civil rights.

Our Areas of Service

Education

ULBC values education as a key component for living a healthier and more prosperous life. Our education and youth development programs provide young people with the critical skills they need to excel academically, avoid at-risk behavior and become engaged members in their communities.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF OPERATIONS (Continued)

Entrepreneurship

ULBC's Entrepreneurship Center's M3 Model (Markets, Management & Money) helps small business owners access the tools needed to grow and develop their business. ULBC provides technical assistance, business management training and lending solutions.

Jobs

ULBC is committed to strengthening the family unit by promoting economic self-sufficiency. Through training, career building, and financial coaching we help equip individuals with tools needed to obtain gainful employment, stabilize their finances and build assets.

Justice

ULBC strives to build a stronger, safer community for the children and families we serve. Through our community justice programs, our youth learn the value of social responsibility. We use a variety of methods including the restorative justice model to engage youth in critical conversations about their interaction with peers, parents, and law enforcement.

Housing

ULBC is dedicated to building thriving communities through strong economic infrastructure. ULBC's housing programs offer families long-term, sustainable solutions that focus on building assets through savings and homeownership. ULBC's wealth accumulation services include financial literacy education, budgeting, credit counseling, homeownership, foreclosure prevention, and loan modification.

Health

ULBC believes that health and wellness education is the key to optimal growth for our children and families. Our health programs are designed to ensure that preventative care advances and vital health resources reach those who need them most.

Governance

The Urban League of Broward County (ULBC) is governed by a 25-member Board of Directors. The members of the Corporate Board of Directors are committed volunteers who formulate policies, develop financial resources and monitor staff implementation of policies. The Governance Committee of the Board of Directors on an annual basis nominates those persons whom it believes should serve as the elected officers and members of the Board. The proposed slate is presented to the Board at the Annual Meeting of the Board. The Governance Committee endeavors to select members of the Board from a broad spectrum of community and business and recommends persons who evidence a commitment to, or on behalf of, the ULBC. The majority of the Board members present at the annual meeting must vote in the affirmative for the slate to be approved. The 2020-2021 Urban League Board of Directors consisted of 25 members with staggered terms. Board members are elected initially for a one-year term, with option for renewal for a two-year term, followed by a three-year term and up to 4 one-year term extensions for a maximum of ten consecutive years. The Board has five standing committees (Executive, Governance, Board Relations, Finance, and Audit). In addition, the Board of Directors has ad hoc committees including Marketing, Stewardship, Investment Subcommittee, Human Resources, Government Relations, and Social Enterprise.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by ULBC and its Subsidiaries are described below.

Basis of presentation

The consolidated financial statements of the ULBC have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles (GAAP). The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) is the source of authoritative GAAP. Revenues are recorded when earned and realized/realizable. Expenses are recorded when materials are received or services are provided. Expenses incurred at fiscal year-end have been accrued and expenses applicable to future periods have been deferred.

Accordingly, ULBC's resources are classified and reported based upon the existence or absence of donor-restricted restrictions, as follows:

- Net assets without donor restriction – include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions (except income and gains on assets that are restricted by donors or by law) are included in the net assets without donor restriction class.
- Net assets with donor restriction – include those net assets whose use by ULBC has been limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with the investment return available for operations. Net assets with donor restrictions totaled \$4,435,895 and \$4,305,574 as of June 30, 2021 and 2020, respectively. See Note 10.

Principles of consolidation

The consolidated financial statements include the accounts of Central County Community Development Corporation, Urban Pompano Inc. and Urban Ventures, all wholly owned subsidiaries of ULBC. These subsidiaries were created for the purposes mentioned above and the results of their operations are reflected in the consolidated financial statements.

All significant inter-company accounts and transactions have been eliminated in the consolidation of the accounts of ULBC and its subsidiaries.

Cash and cash equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with a maturity date of less than three (3) months.

Grants receivable

Grants receivable represent reimbursable costs incurred and accrued but not yet received as of the years ended June 30, 2021 and 2020. ULBC considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If receivables become uncollectible, they will be charged to operations when that determination is made.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give/Contributions Receivable

Contributions are recognized as revenue when they are received or unconditionally pledged. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. An allowance for uncollectible contributions is provided based upon management's judgment, including such factors as prior collection history, type of contribution and nature of fundraising activity.

Loans receivable

Loans receivable represent amounts loaned to under-resourced businesses headquartered in the State of Florida. Loans are collateralized by the assets of the businesses.

Investments

Under FASB ASC 958-320-50-1, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statements of financial position as unrealized gains or losses on investments not previously recognized.

Housing inventory

The properties are recorded pursuant to GAAP using the "Cost Recovery Method".

Property and Equipment

ULBC capitalizes all expenditures for equipment in excess of \$1,000, or if donated, at fair market value (at date of gift) in excess of \$1,000. Property and equipment are depreciated using the straight-line method. Useful lives range from 5 to 20 years.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as increases in net assets without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. ULBC reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. ULBC reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Unamortized Bond Issuance Costs

Costs incurred in connection with bond issuances are being amortized on the effective-yield method over the lives of the respective bond. Amortization expense for the years ended June 30, 2021 and 2020 were \$7,642 and \$7,642, respectively.

Accrued vacation

ULBC's vacation policy allows an employee to carry over unused vacation time to the next year in an amount equal to 50% of the annual amount being accrued as of the employee anniversary date. Upon termination, an employee who has been employed for one year or more is entitled to be paid 50% of the annual amount accrued on the termination date. ULBC's obligation for accrued vacation amounts as of June 30, 2021 and 2020 was \$135,511 and \$160,476, respectively, and is included in the accompanying consolidated statement of financial position.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Refundable advances and Deferred Revenue

ULBC has recorded restricted grant awards as refundable advances for approximately \$2,878,295 and \$712,913 as of June 30, 2021 and 2020, respectively; until such awards are expended for the purpose of the grants at which time they become unconditional and are recognized as revenue. These amounts are included in restricted cash in the consolidated statement of financial position.

Advertising costs

Advertising costs are expensed as incurred. Advertising costs for the years ended June 30, 2021 and 2020 was approximately \$38,281 and \$76,043, respectively.

Income Taxes

ULBC is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code (the "Code"), and is not considered a private foundation within the meaning of the Code. Donations to ULBC qualify for the charitable contributions deduction provided for under the Internal Revenue Code. Subsidiaries of the Urban League of Broward County in these financial statements are not subject to tax except for Urban Pompano.

ULBC has adopted the provisions of FASB ASC 740 (formerly FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes – An Interpretation of FASB Statement No. 109) ("FIN 48"). Under ASC 740, ULBC must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The adoption of ASC 740 had no impact on ULBC's consolidated financial statements. Management of ULBC does not believe there are any material uncertain tax positions and accordingly has not recognized any liability for unrecognized tax benefits. ULBC has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, ULBC has filed Internal Revenue Service Form 990 tax returns as required and all other applicable returns in those jurisdictions where it is required.

ULBC believes that it is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2017. However, ULBC is still open to examination by taxing authorities from fiscal year 2018 forward.

Concentration of Credit Risk

Financial instruments, which potentially subject ULBC to significant concentrations of credit risk, consist principally of cash and cash equivalents, and investments. ULBC's bank account balances are insured up to \$250,000 per depositor accounts by the Federal Deposit Insurance Corporation (the "FDIC"), an independent agency of the United States government. ULBC cash accounts may exceed federally insured limits from time to time. A summary of total insured and uninsured cash balances as of June 30, 2021 and 2020 were as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Total Cash in Bank	\$ 10,574,504	\$ 8,779,077
Less: Portion insured by FDIC	<u>(1,454,981)</u>	<u>(1,455,614)</u>
Uninsured cash balances	<u>\$ 9,119,523</u>	<u>\$ 7,323,463</u>

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk (Continued)

ULBC invests in a variety of publicly traded investment vehicles, including common stocks, government and money market funds totaling \$3,586,236 and \$3,173,016 as of June 30, 2021, and 2020, respectively. Management seeks to mitigate risks inherent in the investment portfolio by investing primarily in highly rated financial instruments and through regular monitoring of the investment portfolio.

Management believes that ULBC is not exposed to any significant credit risk on its cash and cash equivalents. Furthermore, ULBC has not experienced any losses on its cash equivalents. In addition, ULBC's investments do not represent significant concentrations of market risk inasmuch as ULBC's investment portfolio is adequately diversified among issuers.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, grants receivable, other receivables, pledges receivable – current and accounts payables approximate fair value because of the short-term maturity of these financial instruments. The carrying amounts of pledges receivable-long term are recorded using the applicable discount rate in effect at the time the pledge was made.

The carrying amount of long-term debt approximates fair value because these financial instruments bear interest at rates that approximate current market rates for notes with similar maturities and credit quality.

Contributions of assets, other than cash (including housing inventory), are recorded at their estimated fair value at the date of the gift. Estimates of fair value involve assumptions and estimation methods that are uncertain and, therefore, the estimates could differ from actual results.

The fair value for investments and other financial instruments recorded at fair value on a recurring basis are included in Note 5.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)". The guidance in these ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. The new standard is effective for ULBC for the fiscal year ending June 30, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. ULBC is currently evaluating the effect the provisions of ASU 2016-02 will have on the consolidated financial statements.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses Allocation

The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statement of activities. Accordingly, costs have been allocated among the program and supporting services benefited. The expenses that are allocated are personnel expenses, which are allocated on the basis of estimates of time and effort; facilities and interest expenses and depreciation, which are allocated on a weighted-average square footage basis; and supplies and contracted services, which are allocated based on actual expenses incurred for each function.

Subsequent Events

Under FASB ASC, subsequent events are events or transactions that occur after the statutory financial statement date but before the financial statements are issued or ready to be issued. ULBC recognizes in the statutory financial statements the effect of all subsequent events that provide additional evidence about conditions that existed at the date of the financial statements, including estimates inherent in the process of preparing the financial statements. ULBC's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the financial statement but arose after the financial statement date and before the financial statements are issued. ULBC has evaluated the subsequent events through October 14, 2021, which is the date the financial statements were available to be issued.

NOTE 3 - RESTRICTED CASH

Restricted cash at June 30, 2021 and 2020, respectively, represent amounts to be used specifically for:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Community Empowerment Campaign	\$ 1,220,759	\$ 1,429,787
Escrow bank account	488,297	487,480.00
State DEO and Crime Prevention	58,588	362,752
Florida DEO Loan Loss Reserve Fund	2,557,454	2,593,848
	<u>\$ 4,325,098</u>	<u>\$ 4,873,867</u>

NOTE 4 - INVESTMENTS

Investments represent one Endowment Fund of mutual equity and fixed income funds held by the Community Foundation of Broward on behalf of ULBC, as well as a portfolio of equities and debt securities held and managed by TD Bank. Investments are at fair market value at June 30, 2021 and 2020 and consist of the following:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Equities	\$ 1,232,742	\$ 1,007,885
Fixed income	2,092,148	1,757,371
Other investments	372,680	495,086
Total Investments	<u>\$ 3,697,570</u>	<u>\$ 3,260,342</u>

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 4 – INVESTMENTS (Continued)

Interest, dividends, and investment income is composed of the following for the years ended June 30, 2021 and 2020, respectively:

	June 30, 2021	June 30, 2020
Interest and dividends	\$ 79,781	\$ 76,562
Net realized gain (loss)	159,478	(128,241)
Net unrealized gain (loss)	234,329	215,774
Investment expenses	(31,808)	(29,930)
	<u>\$ 441,780</u>	<u>\$ 134,165</u>

NOTE 5 - FAIR VALUE MEASUREMENTS

ULBC reports its fair value measures using a fair value hierarchy defined by generally accepted accounting principles in the United States. The additional disclosures required about fair value measurements include, among other things, (a) the amounts and reasons for certain significant transfers among the three hierarchy levels of inputs, (b) the gross, rather than net, basis for certain Level 3 roll-forward information, (c) use of a “class” basis rather than a “major category” basis for assets and liabilities, and (d) valuation techniques and inputs used to estimate Level 2 and Level 3 fair value measurements.

Under the FASB’s authoritative guidance on fair value measurements, fair value is 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. In determining fair value, ULBC uses various methods including market, income and cost approaches. Based on these approaches, ULBC often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. ULBC utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, ULBC is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1** Inputs to valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the ULBC has the ability to access.
- Level 2** Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

Level 3 Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

The following is a description of the valuation methodologies used for assets measured at fair value.

Investments: The valuation methodology used for assets measured at fair value was based on the security price obtained by the Investment Manager for each of the investment securities held at the end of the year.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the ULBC believes its valuation method is appropriate and consistent with other market participants, the use of difference methodologies or assumptions to determine that fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2021:

Description	Fair Value 6/30/2021	Quoted Prices	Significant Other	Significant Other
		In Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments	\$ 3,586,236	\$ 3,586,236	\$ -	\$ -
Endowment	111,334	-	111,334	-
	<u>\$ 3,697,570</u>	<u>\$ 3,586,236</u>	<u>\$ 111,334</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2020:

Description	Fair Value 6/30/2020	Quoted Prices	Significant Other	Significant Other
		In Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments	\$ 3,173,016	\$ 3,173,016	\$ -	\$ -
Endowment	87,326	-	87,326	-
	<u>\$ 3,260,342</u>	<u>\$ 3,173,016</u>	<u>\$ 87,326</u>	<u>\$ -</u>

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 6 - CONTRIBUTIONS RECEIVABLE

Contribution receivable were as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Contributions Receivable to be collected:		
Less than one year	\$ 15,000	\$ 15,000
One to five years	<u>53,776</u>	<u>53,776</u>
Total Contribution Receivable	<u>68,776</u>	<u>68,776</u>
Less:		
Allowance for uncollectible amounts	<u>22,786</u>	<u>22,786</u>
Total deductions	<u>22,786</u>	<u>22,786</u>
Net contribution receivable	<u><u>\$ 45,990</u></u>	<u><u>\$ 45,990</u></u>

Contributions receivables at June 30, 2021 and 2020 are classified as follows:

Current contribution receivable	\$ 15,000	\$ 15,000
Long-term contribution receivable	<u>30,990</u>	<u>30,990</u>
Total contributions receivable	<u><u>\$ 45,990</u></u>	<u><u>\$ 45,990</u></u>

NOTE 7 – DONATED ASSETS

During the year ended June 30, 2019, ULBC received donated jewelry that was appraised by a certified appraiser with a fair value of \$627,043. In accordance with accounting principles generally accepted in the United States, ULBC recorded a contribution for the appraised value. ULBC intended to sell these donated assets and they discounted these donated assets by \$117,143. At June 30, 2020, ULBC recorded an asset net of its valuation of \$509,900 and it was included in prepaid expenses and other assets in the consolidated statement of financial position, however, during the year ended June 30, 2021, ULBC decided to fully write-down these assets until it is officially sold. The organization recorded an impairment loss of the remaining \$509,900 and it is included in impairment loss in the statement of functional expenses.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 8 – HOUSING INVENTORY AND NSP LOAN

Housing inventory consists of the following:

Funding Source	Home Reference	June 30, 2021	June 30, 2020
JP Morgan Chase	Pompano 206	\$ 65,930	\$ 65,930
Self-financed	Washington Park - House 2905	198,551	198,551
NSP - BAND - City of Plantation	Plantation - House 931	189,323	189,323
NSP - BAND - City of Plantation	Plantation - House 9	176,936	176,936
NSP - BAND - City of Plantation	Plantation - House 8	133,757	133,757
NSP - BAND - City of Plantation	Plantation - House 216	151,932	151,932
NSP - BAND - City of Plantation	Plantation - House 217	232,197	232,197
NSP - BAND - City of Plantation	Plantation - House 475	163,033	163,033
		<u>1,311,659</u>	<u>1,311,659</u>
Less accumulated depreciation		(303,166)	(271,878)
Total Inventory		<u>\$ 1,008,493</u>	<u>\$ 1,039,781</u>

Single family homes in Plantation, Florida were acquired with funds from the U.S. Department of Housing and Urban Development’s (HUD) Neighborhood Stabilization Program (NSP) – Round 1. ULBC recorded a long term mortgage payable liability in the amount of 1,047,178 as of June 30, 2021 and 2020, respectively, which is equivalent to the acquisition and rehabilitation costs of the properties following execution of mortgage assumption documents and deed of conveyances by the City of Plantation and the original owner, Broward Alliance for Neighborhood Development (BAND). The mortgages are non-amortizing and are in place to ensure that the HUD affordable rental housing restrictive covenants are enforced.

The NSP loan contains a covenant that if ULBC remains in continuous possession of the property for the entire 30-year term and no default exist, the entire indebtedness underlying the Promissory Note shall be forgiven. ULBC’s intent is to hold these properties for future re-sale. The sales price (and use of proceeds) of these properties purchased with NSP funds as well as the use of any income earned on these properties are governed by NSP regulations. The properties are recorded pursuant to GAAP “Under the Cost Recovery Method”. Depreciation expense relating to donated properties was \$31,288 and \$31,288 for the years ended June 30, 2021 and 2020, respectively.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 9 - FIXED ASSETS

Fixed assets as of June 30, 2021 and 2020 are as follows:

<u>Description</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Land	\$ 670,170	\$ 498,810
Building (CEC)	5,952,964	5,953,131
Building and improvements	930,093	930,093
Furnishings and equipment	86,534	86,534
Vehicles	18,894	18,894
Software	206,524	206,524
Total assets	<u>7,865,179</u>	<u>7,693,986</u>
Less: accumulated depreciation	<u>(2,431,615)</u>	<u>(2,227,660)</u>
Total net fixed assets	<u>\$ 5,433,564</u>	<u>\$ 5,466,326</u>

For the years ended June 30, 2021 and 2020, the depreciation expense relating to fixed assets was \$203,953 and \$285,205, respectively.

Appraisal Value

In June 2018, ULBC hired an appraisal to value its properties, the appraisal values of land and property is as follows:

<u>Funding Source</u>	<u>Home Reference</u>	<u>Appraisal Value</u>
JP Morgan Chase	Pompano 206	\$ 84,000
Self-financed	Washington Park - House 2905	225,000
NSP - BAND - City of Plantation	Plantation - House 931	265,000
NSP - BAND - City of Plantation	Plantation - House 9	215,000
NSP - BAND - City of Plantation	Plantation - House 8	245,000
NSP - BAND - City of Plantation	Plantation - House 216	235,000
NSP - BAND - City of Plantation	Plantation - House 217	280,000
NSP - BAND - City of Plantation	Plantation - House 475	260,000
		<u>\$ 1,809,000</u>

<u>Funding Source</u>	<u>Land</u>	<u>Appraisal Value</u>
Wells Fargo	530 NW 9th Avenue	\$ 81,500
Self-financed	NW 27th St., Oakland Park & 21st Ave. & 26th St., Oakland Park	1,160,000
		<u>\$ 1,241,500</u>

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

ULBC has an agreement with the Community Foundation of Broward, Inc. (the “Foundation”) to administer an Agency Endowment Fund on its behalf. Contributions to the fund and existing assets held therein are included in net assets with donor restrictions to be held in perpetuity. The principal of ULBC’s fund is invested by the Foundation in mutual stock funds. The market value of the mutual funds at June 30, 2021 and 2020 was \$111,334 and \$87,326, respectively.

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

<u>Description</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Urban Venture	\$ 488,297	\$ 487,480
Community Empowerment Campaign Collection	1,220,759	1,429,787
Small Business Loan Fund SE FL Receivable	500,000	500,000
Small Business Loan Match Funds	-	-
Loan receivable, net of loan loss reserve of \$102,300	882,504	615,943
Florida DEO Loan loss reserve, net of \$1,250,000		
Small Business Loan	1,187,011	1,139,048
Contribution receivable, net	45,990	45,990
Endowment fund held at the Foundation	111,334	87,326
Total net assets with donor restrictions	<u>\$ 4,435,895</u>	<u>\$ 4,305,574</u>

Net assets with donor restrictions are held as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Cash	\$ 2,896,067	\$ 3,056,315
Contribution receivable	45,990	45,990
Endowment	111,334	87,326
Loan receivable	882,504	615,943
Small Business Loan Fund SE FL Receivable	500,000	500,000
	<u>\$ 4,435,895</u>	<u>\$ 4,305,574</u>

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 11 - CEC MORTGAGE LOAN PAYABLE

On January 28, 2011, ULBC secured financing in the amount of \$3,680,000 through a tax-exempt Industrial Revenue Bond issued by Broward County and financed as a direct placement by TD Bank, N.A. Financing terms included an 18-month construction period during which interest only payments are made on the balance of construction draws from bond proceeds. Following the 18-month construction period, the principal balance will be amortized over 20 years at a rate of 4.84%. The loan term matures on July 28, 2032 and there is a call option 7 years after completion of the 18-month interest only period. On February 4, 2013, ULBC executed the first amendment with TD Bank N.A., the Bondholder, to reduce the interest rate by 25 basis points. As a result of the amendment, the interest rate was reduced from 4.84% to 4.59% effective February 1, 2013. On January 31, 2017, ULBC executed a second amendment with TD Bank N.A., to reduce the interest rate by 60 basis points. As a result of the amendment, the interest rate was reduced from 4.59% to 3.99% effective March 1, 2017. The current bond rate of 3.99% remains in effect. The call date was set for July 28, 2026, and a rate option on the bond was available to the bank, however, the bank did not exercise its right to tender or reset the rate.

The loan payable is collateralized by property and equipment with a corresponding mortgage, note and financing agreement. The mortgage loan payable principal balance as of June 30, 2021 and 2020 amounted to \$2,437,299 and \$2,596,214, respectively. The loan agreement contains various restrictive covenants, including an annual debt service covenant. For the year ended June 30, 2021, ULBC has complied with all compliance covenants from the bondholder. Maturities of the loan in each of the next five fiscal years and thereafter are as follows:

<u>Year Ending June 30,</u>		
2022	\$	193,264
2023		184,489
2024		191,986
2025		199,788
2026		207,907
Thereafter		1,459,865
	<u>\$</u>	<u>2,437,299</u>

Deferred financing costs associated with the loan amounted to \$183,408, which is being amortized using the straight-line method, through the life of the loan, which approximates the interest method over the terms of the loans payable, starting in January 2011. As of June 30, 2021 and 2020, the unamortized deferred financing cost on the loan is \$74,751 and \$82,226, respectively. Finally, ULBC has a revolving line of credit for a maximum credit limit of \$750,000 bearing interest at 3.25%. The balance at June 30, 2021 and 2020 was \$0.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 12 - BROWARD COUNTY GRANTS

At June 30, 2021, funding awarded by Broward County and earned was as follows:

Funding Division	Program Name	Program Year	Contract #	Contract Award	Amount Earned
Children's Services Council	EMBRACE/Village	10/1/20 - 9/30/21	19-2610	\$ 305,388	\$ 247,629
Children's Services Council	ABLE/Youth Force	10/1/20 - 9/30/21	19-2612	306,326	222,640
Children's Services Council	Heathly Youth Transition	10/1/20 - 9/30/21	19-2613	297,503	52,454
Children's Services Council	MOST Summer	05/1/21 - 8/31/21	18-2614	95,616	50,731
Children's Services Council	Learning Together - FLCC	10/1/19 - 9/30/20	19-2615	27,643	9,588
Broward County - Family Success Admin	Individual Development Account	10/1/16 - 12/31/21	1516-04-50-02	40,000	13,842
Broward County - Family Success Admin	Center for Working Families	10/1/20 - 9/30/21	20-FSAD-8206-1	137,500	121,995
				<u>\$ 1,209,976</u>	<u>\$ 718,879</u>

At June 30, 2020, funding awarded by Broward County and earned was as follows:

Funding Division	Program Name	Program Year	Contract #	Contract Award	Amount Earned
Children's Services Council	EMBRACE/Village	10/1/19 - 9/30/20	19-2610	\$ 305,388	\$ 257,377
Children's Services Council	ABLE/Youth Force	10/1/19 - 9/30/20	19-2612	179,378	158,694
Children's Services Council	Heathly Youth Transition	10/1/19 - 9/30/20	19-2613	297,503	237,581
Children's Services Council	MOST Summer	05/1/19 - 8/31/20	18-2614	113,655	51,299
Children's Services Council	Learning Together - FLCC	10/1/19 - 9/30/20	19-2615	27,643	18,085
Broward County - Family Success Admin	Individual Development Account	10/1/16 - 12/31/21	1516-04-50-02	40,000	33,490
Broward County - Family Success Admin	Center for Working Families	10/1/18 - 9/30/20	20-FSAD-8206-1	137,500	140,534
City of Pompano Beach M3	Money, Market & Management	10/1/18 - 9/30/19	COPB 2018-2019	15,000	7,235
City of Pompano Beach M3	Workplace Excellence	10/1/18 - 9/30/19	COPB 2018-2019	15,000	7,240
				<u>\$ 1,131,067</u>	<u>\$ 911,535</u>

NOTE 13 - FUND DEVELOPMENT

The primary function of the Fund Development Department is to generate unrestricted funding from contributions, memberships, and special events. The fund development expenses are fundraising expenses, which are expensed as incurred. For the years ended June 30, 2021 and 2020, fundraising expenses were approximately \$752,053 and \$485,511, respectively.

NOTE 14 - PENSION PLAN

Effective October 1991, the Urban League of Broward County, Inc., adopted a retirement plan (Tax Deferred Annuity Plan) for the benefit of its employees. All full-time employees who are at least age 21 and have completed one year of service with the Urban League of Broward County (ULBC) are eligible. ULBC's contribution to the plan is an amount up to 5% of the employee's annual compensation. ULBC's contribution totaled approximately \$99,704 and \$105,357 for the years ended June 30, 2021 and 2020, respectively.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 15 - COMMITMENT

Lease Commitment

In December 2008, ULBC agreed to lease land from Broward County, Florida (the “County”) for the purpose of constructing and operating a Community Empowerment Center that will serve the community by providing offices, computer, and meeting rooms. The lease agreement (agreement) is for an initial period of 20 years with two renewal periods of 10 years each for a total possible lease term of 40 years. ULBC shall pay the County an annual rental fee of \$1 and provide the level of services as described in the agreement. If ULBC fails to provide the services described in the agreement, it shall pay the County, market rent determined by the County to be \$114,000 as of the initial date of the agreement. Every five years the lease rental value shall be revised for inflation or deflation pursuant to the Consumer Price Index.

ULBC commenced operation at the Community Empowerment Center on May 30, 2012. Per the agreement with the County, ULBC is obligated to provide 1/12th of the \$114,000 service levels as described in the agreement. ULBC provide service levels of \$879,440 and \$879,440 for the year ended June 30, 2021 and 2020, respectively.

ULBC leases computer and office equipment for its operations. Total rental expense for the years ended June 30, 2021 and 2020, was approximately \$19,972 and \$105,289, respectively. Future minimum rental payments required under operating leases extending beyond June 30, 2021, are as follows:

<u>Year Ending June 30,</u>	
2022	\$ 8,949
2023	8,949
2024	6,843
2025	220
	<u>\$ 24,961</u>

NOTE 16 - CONTINGENCIES

The ULBC receives a significant portion of its funding from public grants. A significant reduction in the level of this funding, if this were to occur, would have an effect on the agency’s ability to carry out its programs and activities.

Costs reflected in the accompanying consolidated financial statements relating to government funded programs are subject to audit by the grantors. The possible disallowance by grantors of any item charged to the programs, if any, cannot be determined at this time. No provision for any liability that may result has been made in the consolidated financial statements.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 17 – THIRD-PARTY ENDOWMENT

ULBC has an agreement with the Community Foundation of Broward, Inc. (the “Foundation”) to administer an Agency Endowment Fund on its behalf for the “Campaign for Change”. The contributions of approximately \$483,000 paid to the Foundation by third parties on behalf of ULBC are to be held into perpetuity by the Foundation on behalf of ULBC. At June 30, 2021 and 2020, the fund balance with earnings (losses) less distributions totaled approximately \$571,871 and \$448,468, respectively. In accordance with FASB ASC 958-205-50-1B “Transfer of Assets to a Not-For-Profit Organization or Charitable Trust That Raises or Holds Contributions For Others”, this balance is not recorded as an asset of ULBC.

The distribution policy of the endowment agreement between ULBC and the Foundation states that the Foundation will make distributions of earnings available to ULBC, at least annually based on the current spending policy adopted by the Foundation, which may change from time to time. The distribution to ULBC for the year ended June 30, 2021 and 2020 was \$23,371 and \$23,643, respectively.

NOTE 18 - LOAN FUND

During the Legislature, the State of Florida made a provision for a grant award to ULBC in Specific Appropriation Item 2256A in the 2014-2015 General Appropriations Act in the amount of \$1,500,000 for the purpose of establishing, administering and marketing a revolving loan guarantee program to stimulate access to credit for under-resourced business and specifically providing that \$1,000,000 of the grant shall be used to establish a loan loss reserve account. The remaining \$500,000 was used to provide administrative services relating to the loan guarantee program.

The State of Florida, through the Department of Economic Opportunity (“DEO”), and ULBC have entered into a Grant Agreement providing for the ULBC’s performance of specific terms, conditions, obligations, and liabilities associated with the establishment, administration, and marketing of the loan guarantee program. The term of the agreement is from July 1, 2014 to June 30, 2019 with annual renewal during this time. The agreement was renewed through June 30, 2022. As part of the requirements of the grant agreement, ULBC will identify and enter into an agreement with a third-party loan administrator to underwrite loans. In addition, ULBC will establish an interest-bearing account in the State for deposit and maintenance of the loan loss guarantee and a separate account to retain private (non-state) capital as match.

As a result of the grant agreement, ULBC established a new cost center (the “Loan Fund”) to track activities around raising the match and administration. To access the loan loss reserve, ULBC is required to raise a 4:1 match for the Loan Fund. Upon receiving the first match contribution, ULBC will be able to access the reserve immediately up to 20% of what was raised.

The loans will be offered to small businesses headquartered in the State of Florida, with average annual gross revenues of \$5,000,000 or less per year for the last two years and with a maximum number of 25 employees. Loans will range from \$10,000 to \$1,000,000 and each loan will receive a 50% guarantee from the loans loss guarantee and shall be guaranteed for a maximum of seven years. Only one guarantee will be obligated to a single borrower at any point in time.

As of June 30, 2021 and 2020, ULBC has a total of \$2,352,473 for the loan guarantee. This amount is included in net assets with donor restrictions and will only be accessed as reserves for loan losses.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 19 – LOANS RECEIVABLE

On May 14, 2019, CCCDC, a subsidiary of ULBC, purchased loan receivables totaling \$745,000 under the SBA Program from NDC Community Impact Loan Fund (“NDC”). As part of the purchase agreement, NDC maintains the billing and collection of funds and then remits collections of outstanding principal and interest to CCCDC. Subsequent to this original purchase the organization has given additional loan amounts to local businesses. The organization’s loan portfolio is composed of loans that are primarily secured by the borrower’s business assets. The loans bear interest at various rates between 4.39% and 9.77% and have minimum payments between \$515 and \$2,834. The loans have various maturity dates between September 2022 through July 2028. The loan portfolio consisted of the following at June 30, 2021 and 2020:

<u>Borrower</u>	<u>Industry</u>	<u>Balance at June 30, 2021</u>	<u>Balance at June 30, 2020</u>
A.B.F. Learning Center, Inc.	Commercial	\$ 52,976	\$ 57,327
Blu Bliss Massage & Spa, LLC	Commercial	43,016	44,315
DavidIPhoto	Commercial	59,923	60,000
EDC3 LLC	Commercial	220,856	236,617
Showroom Cleaning	Commercial	10,103	12,500
Taylor's Tots Preschool, Inc.	Commercial	45,176	49,834
Pleasant Image Distributing, Inc.	Commercial	49,215	50,000
ILA Corporation	Commercial	139,853	147,903
Quality Engineering LLC	Commercial	54,186	59,747
Smothie Girl	Commercial	150,000	-
CC & C Consulting Group	Commercial	17,500	-
Dennis Bobcat	Commercial	142,000	-
		<u>984,804</u>	<u>718,243</u>
Less:			
loan loss reserve		<u>(102,300)</u>	<u>(102,300)</u>
Total loans receivable, net		<u>\$ 882,504</u>	<u>\$ 615,943</u>

Maturities of loans receivable are as follows:

<u>Year Ending June 30,</u>	
2022	\$ 101,140
2023	97,784
2024	101,665
2025	209,415
2026	280,278
Thereafter	194,522
	<u>\$ 984,804</u>

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 20 - OTHER MATTERS

Campaign for Change / Community Empowerment Campaign

In an effort to meet the growing and ever changing needs of its constituents, ULBC initiated its “Campaign for Change”, a program to mobilize public and private resources necessary to transform Central Broward’s 33311 zip code area by developing its children. A key element in this program is to build a new comprehensive community center in the area, deliver programs that value, and reward self-help and personal responsibility.

Through the years, ULBC has broadened the scope and reach of this campaign beyond the Central Broward 33311 zip code and it officially renamed it in 2010 as the Community Empowerment Campaign.

NOTE 21 – NOTE PAYABLE – PAYROLL PROTECTION PROGRAM

In April 2020, ULBC received loan proceeds of \$782,884 from a financial institution through the Small Business Administration Paycheck Protection Program (“PPP”). The loan proceeds are to be used for payroll, rent, utilities, and interest expense. The loan matures on April 13, 2022 and bears annual interest at 1%. The loan is payable monthly with a deferral of payments for the first twelve months. The entire principal balance and accrued interest are forgivable in whole or in part in accordance with the Coronavirus Aid, Relief and Economic Security (“CARES”) Act. Pursuant to the terms of the CARES Act and any implementing rules and regulations, ULBC may apply for the loan to be forgiven by the SBA in whole or in part beginning no sooner than twenty-four (24) weeks from the date of the Note. Any loan balance remaining following forgiveness by the SBA will be fully amortized over the remaining term of the loan. As of June 30, 2021, the balance outstanding was \$782,884. Subsequent to year end, the entire balance of \$782,884 was forgiven and will be recognized as revenue in the June 30, 2022 fiscal year.

NOTE 22 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

ULBC monitors its liquidity so that it is able to meet its operating needs while maximizing the investment of its excess operating cash. ULBC has the following financial assets that could be made readily available within one year of the statement of financial position date to fund operating expenses without limitation, such as donor-imposed or contractual restrictions or internal designations, as of June 30, 2021 and 2020:

	June 30, 2021	June 30, 2020
Cash and cash equivalents	\$ 6,195,537	\$ 3,874,660
Investments	3,586,236	3,173,016
Grants and contracts receivable	2,116,828	1,268,137
Contributions receivable, current	15,000	15,000
Total current assets available	<u>11,913,601</u>	<u>8,330,813</u>
Less those unavailable for general expenditures within one year as follows:		
Board designated activities	(583,969)	(583,969)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,329,632</u>	<u>\$ 7,746,844</u>

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 23- SUBSEQUENT EVENTS

As discussed in Note 1, Urban Pompano, Inc. has a 0.02% interest and serves as a general partner in The Oaks at Pompano, Ltd. In July 2021, The Oaks at Pompano, Ltd. refinanced existing debt and received proceeds as part of this refinance. As per the partnership agreement with The Oaks at Pompano, Ltd., Urban Pompano, Inc. is scheduled to receive an estimated distribution of \$1,279,230. As per the date of these financial statements, Urban Pompano, Inc. has received approximately \$730,000. This amount will be included as income in the 2022 fiscal year financial statements.

SUPPLEMENTARY INFORMATION

**URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

<i>State</i>	<i>Federal</i>	<i>Contract</i>	
<i>Pass-through Grantor</i>	<i>CSFA</i>	<i>Grant</i>	
<i>Program Title</i>	<i>Number</i>	<i>Number</i>	<i>Expenditure</i>
STATE FINANCIAL ASSISTANCE:			
Florida Department of Economic Opportunity			
<i>Pass-through Broward College:</i>			
Economic Development Tax Refund, Tax Credit and Grant Program	40.043	CON-000001159	65,959
Local Economic Development Initiatives	40.012	SL056	<u>1,297,666</u>
Total Florida Department of Economic Opportunity			<u>1,363,625</u>
Florida Department of Legal Affairs and Attorney General			
Youth Crime Prevention and Intervention Program	41.005	C-00001	<u>2,395,069</u>
Total Florida Department of Legal Affairs and Office of the Attorney General			<u>2,395,069</u>
Florida Department of Education			
Florida Education Fund	64.052	N/A	<u>26,940</u>
Total Florida Department of Education			<u>26,940</u>
Florida Department of Health			
Closing the Gap	64.052	CMO09	<u>212,456</u>
Total Florida Department of Health			<u>212,456</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 3,998,090</u></u>

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTE TO THE SCHEDULE STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A - SIGNIFICANT ACCOUNTING POLICY AND BASIS OF PRESENTATION

The accompanying Schedule of State Financial Assistance includes the state grant activities of Urban League of Broward County, Inc. ("ULBC") and is presented on the accrual basis. The information on this schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General; and the requirements of Chapter 691-5, Rules of the Florida Department of Financial Services, Florida Administrative Code. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B - DE MINIMIS INDIRECT COST RATE

ULBC did elect to use the 10% de minimis cost rate.



INDEPENDENT AUDITOR'S 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
Urban League of Broward County, Inc. and Subsidiaries
Fort Lauderdale, Florida

We have audited, in accordance with the 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 Urban League of Broward County, Inc. ("ULBC"), a nonprofit organization, which comprise the statement of financial position as of and for the year ended June 30, 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ULBC'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 ULBC's internal control. Accordingly, we do not express an opinion on the effectiveness of the ULBC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 ULBC'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 14, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE BY UNIFORM GUIDANCE AND
CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

To the Board of Directors of
Urban League of Broward County, Inc.
Fort Lauderdale, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Urban League of Broward County's ("ULBC"), compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of ULBC's state projects for the year ended June 30, 2021. ULBC's state projects are 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 laws, regulations, contracts, and grants applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of ULBC's state projects 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 Chapter 10.650, Rules of the Auditor General. Those standards and Chapter 10.650, Rules of the Auditor General, 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 state project occurred. An audit includes examining, on a test basis, evidence about ULBC'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 each state project. However, our audit does not provide a legal determination of ULBC's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, ULBC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state projects for the year ended June 30, 2021.

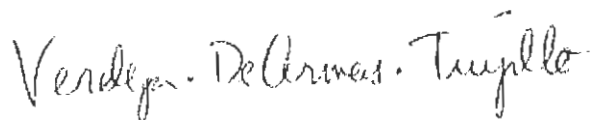
Report on Internal Control Over Compliance

Management of ULBC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered ULBC internal control over compliance with the types of requirements that could have a direct and material effect on each state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each state project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, 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 ULBC 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 state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 state project 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 state project 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 Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 14, 2021

**URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS –STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2021**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? ___ yes X no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

State Projects

Type of auditor's report issued on compliance for state projects:

Unmodified

Internal control over state projects:

- Material weakness (es) identified? ___ yes X no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? ___ yes X none reported

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General*?

___ yes X no

Identification of state projects:

State Project or Cluster	CSFA Number	Expenditures
Youth Crime Prevention and Intervention Program	41.005	\$ 2,395,069

**URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

Dollar threshold used to distinguished between type A and
type B state projects: \$ 750,000

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit disclosed no matters that are reportable for the current year.

SECTION III – FINDINGS AND QUESTIONED COSTS STATE PROJECTS

The audit disclosed no matters that are reportable for the current year.

SECTION IV – OTHER ISSUES

1. No management letter was issued for the year ended June 30, 2021.
2. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings relating to State Financial Assistance Projects.
3. No corrective action plan is required because there were no findings required to be reported under the Department of Financial Services' State Project Compliance Supplement.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

	Urban League of Broward County, Inc.	CCCDC	Urban Pompano	Urban Ventures	Inter-company Eliminations	Consolidated Total
CURRENT ASSETS						
Cash and cash equivalents	\$ 4,149,318	\$ 1,737,865	\$ 308,354	\$ -	\$ -	\$ 6,195,537
Restricted cash	58,588	2,557,454	-	1,709,056	-	4,325,098
Investments	3,586,236	-	-	-	-	3,586,236
Grants and contracts receivable	2,116,828	-	-	-	-	2,116,828
Loan receivable, current	-	101,140	-	-	-	101,140
Contributions receivable, net	-	-	-	15,000	-	15,000
Prepaid expenses and other assets	349,967	1,196	-	-	(284,696)	66,467
TOTAL CURRENT ASSETS	10,260,937	4,397,655	308,354	1,724,056	(284,696)	16,406,306
Contribution receivable, net	-	-	-	30,990	-	30,990
SB loan fund receivable	-	500,000	-	-	-	500,000
Loan receivable	-	883,664	-	-	-	883,664
Investments	111,334	-	-	-	-	111,334
Housing inventory	-	1,008,493	-	-	-	1,008,493
Bond issue costs	-	-	-	74,751	-	74,751
Property and equipment, net	451,425	235,984	-	4,746,155	-	5,433,564
TOTAL ASSETS	\$ 10,823,696	\$ 7,025,796	\$ 308,354	\$ 6,575,952	\$ (284,696)	\$ 24,449,102
CURRENT LIABILITIES						
Accounts payable	\$ 671,742	\$ 165,531	\$ 18,548	\$ 109,764	\$ (284,696)	\$ 680,889
Accrued payroll	191,514	-	-	-	-	191,514
Accrued vacation	135,511	-	-	-	-	135,511
Refundable advances and deferred revenue	2,258,259	620,036	-	-	-	2,878,295
CEC mortgage loan payable - current	-	-	-	193,264	-	193,264
Small business loan fund - accrued interest	-	23,891	-	-	-	23,891
TOTAL CURRENT LIABILITIES	3,257,026	809,458	18,548	303,028	(284,696)	4,103,364
NSP loan covenant	-	1,047,178	-	-	-	1,047,178
Loan loss reserve	-	102,300	-	-	-	102,300
Note payable - Payroll Protection Program	782,884	-	-	-	-	782,884
CEC mortgage loan payable	-	-	-	2,244,035	-	2,244,035
Small business loan fund	-	1,500,000	-	-	-	1,500,000
TOTAL LIABILITIES	4,039,910	3,458,936	18,548	2,547,063	(284,696)	9,779,761
NET ASSETS						
Without donor restrictions - board designated	583,969	-	-	-	-	583,969
Without donor restrictions	6,088,483	997,345	289,806	2,273,843	-	9,649,477
With donor restrictions	111,334	2,569,515	-	1,755,046	-	4,435,895
TOTAL NET ASSETS	6,783,786	3,566,860	289,806	4,028,889	-	14,669,341
TOTAL LIABILITIES AND NET ASSETS	\$ 10,823,696	\$ 7,025,796	\$ 308,354	\$ 6,575,952	\$ (284,696)	\$ 24,449,102

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

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	Urban League of Broward County, Inc.	CCDC	Urban Pompano	Urban Ventures	Inter-company Eliminations	Consolidated Total
PUBLIC SUPPORT AND REVENUE:						
Federal grants	\$ 499,325	\$ -	\$ -	\$ -	\$ -	\$ 499,325
State grants	3,719,546	268,777	-	-	-	3,988,323
Broward County grants	943,028	-	-	-	-	943,028
Other private sector grants	-	-	-	-	-	-
United Way	189,533	-	-	-	-	189,533
Foundation grants	2,159,231	591,174	-	14,622	-	2,765,027
Inkind contributions	3,800	171,360	-	-	-	175,160
Other contributions	728,811	10,795	-	-	-	739,606
TOTAL PUBLIC SUPPORT	8,243,274	1,042,106	-	14,622	-	9,300,002
REVENUE						
Special events, net	600	-	-	-	-	600
Rental income	51,985	112,653	-	-	-	164,638
Investment income, net	454,893	-	-	-	-	454,893
Other revenue	-	7,671	19,392	817	-	27,880
TOTAL REVENUE	507,478	120,324	19,392	817	-	648,011
TOTAL PUBLIC SUPPORT AND REVENUE	8,750,752	1,162,430	19,392	15,439	-	9,948,013
EXPENSES:						
Salaries, benefits and payroll taxes	3,575,393	542,016	12,164	-	-	4,129,573
Professional fees	277,184	81,496	2,529	1,260	-	362,469
Telephone & network	166,985	23,403	192	-	-	190,580
Postage	941	34	3	-	-	978
Office supplies	25,383	120	1	2,913	-	28,417
Conferences & meetings	6,866	-	-	-	-	6,866
Program services	258,463	40,000	-	7,595	-	306,058
Program supplies	23,028	-	-	-	-	23,028
Contracted services	2,981,013	-	-	-	-	2,981,013
Travel	5,717	-	-	-	-	5,717
Printing & publications	6,504	197	3	-	-	6,704
Dues & subscriptions	13,725	1,350	-	-	-	15,075
Donated services/expenses	3,800	-	-	-	-	3,800
Advertising	38,281	1,381	-	-	-	39,662
Occupancy	299,882	94,971	345	5,545	-	400,743
Equipment rental & repair	28,446	14,423	2,403	13,805	-	59,077
Licenses & fees	9,042	880	3	144	-	10,069
Bank charges	9,540	410	30	-	-	9,980
Auto	4,968	-	-	-	-	4,968
Insurance	61,071	33,516	68	-	-	94,655
Interest	-	13,579	-	109,740	-	123,319
Depreciation	-	31,288	-	203,953	-	235,241
Impairment loss	509,900	-	-	-	-	509,900
Bad debt	26,560	-	-	-	-	26,560
Tax fees	-	2,287	6,263	-	-	8,550
Miscellaneous	3,270	232	1	398	-	3,901
TOTAL EXPENSES	8,335,962	881,583	24,005	345,353	-	9,586,903
CHANGE IN NET ASSETS	414,790	280,847	(4,613)	(329,914)	-	361,110
BEGINNING NET ASSETS	6,368,996	3,286,013	294,419	4,358,803	-	14,308,231
ENDING NET ASSETS	\$ 6,783,786	\$ 3,566,860	\$ 289,806	\$ 4,028,889	\$ -	\$ 14,669,341

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