

**URBAN LEAGUE OF
BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Urban League of Broward County, Inc. and Subsidiaries ("ULBC") (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ULBC as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter – Prior-Year Consolidated Financial Statements Audited by Other Auditors

The financial statements of ULBC as of and for the year ended June 30, 2024, were audited by other auditors whose report, dated October 16, 2024, expressed an unmodified opinion on those financial statements.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ULBC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 ULBC's ability to

INDEPENDENT AUDITOR'S REPORT – Continued

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 and *Government 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 and *Government 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.
- 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 ULBC'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ULBC'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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information on pages 29 and 30 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional

INDEPENDENT AUDITOR'S REPORT – Continued

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 29, 2025, 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 solely 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 the effectiveness of ULBC's 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.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is positioned above a light blue horizontal line.

Hollywood, Florida
October 29, 2025

FINANCIAL STATEMENTS

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 9,738,408	\$ 10,783,967
Restricted cash	4,579,966	4,459,394
Short-term investments	4,242,590	3,881,772
Grants and contracts receivable	1,961,156	2,482,773
Loan receivables, current	908,576	800,435
Other receivable	13,392	-
Prepaid expenses	101,083	130,198
Total current assets	21,545,171	22,538,539
Property and equipment, net	11,589,198	5,118,805
SB loan fund receivable	500,000	500,000
Loan receivables, net	543,459	1,167,714
Endowment	103,278	97,394
Housing inventory, net	883,340	914,629
Bond issue costs	-	52,326
Funds held in escrow	-	551,000
Other assets	-	242
Right-of-use assets	71,639	84,177
Total assets	\$ 35,236,085	\$ 31,024,826
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 663,046	\$ 1,239,300
Accrued payroll	104,426	94,943
Accrued vacation	179,584	180,313
Refundable advances and deferred revenue	1,519,561	2,594,178
Loan reserves from borrowers	18,108	18,108
CEC mortgage loan payable - current	207,907	292,783
Small business loan fund - accrued interest	28,750	47,581
Right-of-use liabilities, current portion	24,191	23,868
Total current liabilities	2,745,573	4,491,074
NSP loan covenant	1,047,178	1,047,178
Loan loss reserve	65,702	65,702
Due to AHF	5,000,000	-
CEC mortgage loan payable, net	1,548,882	1,667,772
Small business loan fund	3,505,000	3,392,500
Right-of-use liabilities, net of current portion	47,448	60,309
Total liabilities	13,959,783	10,724,535
Net Assets		
Without donor restrictions – board designated	670,948	670,948
Without donor restrictions	17,802,563	16,778,388
With donor restrictions	2,802,791	2,850,955
Total net assets	21,276,302	20,300,291
Total liabilities and net assets	\$ 35,236,085	\$ 31,024,826

See accompanying notes to financial statements.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions		Total
		Gifts Restricted in Perpetuity	Other Donor Restricted Funds	
Public Support				
Federal grants	\$ 3,266,245	\$ -	\$ -	\$ 3,266,245
State grants	3,182,438	-	-	3,182,438
Broward County grants	965,296	-	-	965,296
United Way	263,826	-	-	263,826
Foundation grants	2,367,012	-	-	2,367,012
Other Contributions	390,455	-	-	390,455
Total public support	<u>10,435,272</u>	<u>-</u>	<u>-</u>	<u>10,435,272</u>
Revenue				
Special events	525,203	-	-	525,203
Interest and dividend income, net	114,118	-	620,598	734,716
In-kind revenue	659,023	-	-	659,023
Rental income	212,847	-	-	212,847
Total Revenue	<u>1,511,191</u>	<u>-</u>	<u>620,598</u>	<u>2,131,789</u>
Net assets released from restrictions	674,646	-	(674,646)	-
Total Public Support and Revenue	<u>12,621,109</u>	<u>-</u>	<u>(54,048)</u>	<u>12,567,061</u>
Expenses				
Program services:				
Education and justice	4,412,467	-	-	4,412,467
Housing	714,007	-	-	714,007
Jobs	875,619	-	-	875,619
Health	1,537,776	-	-	1,537,776
Total program services	<u>7,539,869</u>	<u>-</u>	<u>-</u>	<u>7,539,869</u>
Subsidiary services:				
CCCCDC – Affordable Housing CHDO	1,631,352	-	-	1,631,352
Urban Pompano, Inc.	-	-	-	-
Urban Ventures, LLC	464,566	-	-	464,566
Total subsidiary services	<u>2,095,918</u>	<u>-</u>	<u>-</u>	<u>2,095,918</u>
Supporting services:				
Fund development	758,544	-	-	758,544
General and administration	1,523,059	-	-	1,523,059
Total supporting services	<u>2,281,603</u>	<u>-</u>	<u>-</u>	<u>2,281,603</u>
Total Expenses	<u>11,917,390</u>	<u>-</u>	<u>-</u>	<u>11,917,390</u>
Change in net assets from operating activities	<u>703,719</u>	<u>-</u>	<u>(54,048)</u>	<u>649,671</u>
Non-operating revenue:				
Gain on investments, net	288,553	5,884	-	294,437
Gain on sale of property	-	-	-	-
Other revenue	31,903	-	-	31,903
Total change from non-operating activities	<u>320,456</u>	<u>5,884</u>	<u>-</u>	<u>326,340</u>
Total change in net assets	1,024,175	5,884	(54,048)	976,011
Net assets, beginning of year	17,449,336	97,394	2,753,561	20,300,291
Net assets, end of year	<u>\$ 18,473,511</u>	<u>\$ 103,278</u>	<u>\$ 2,699,513</u>	<u>\$ 21,276,302</u>

See accompanying notes to financial statements.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions		Total
		Gifts Restricted in Perpetuity	Other Donor Restricted Funds	
Public Support				
Federal grants	\$ 2,927,126	\$ -	\$ -	\$ 2,927,126
State grants	5,136,246	-	-	5,136,246
Broward County grants	823,250	-	-	823,250
United Way	312,484	-	-	312,484
Foundation grants	3,092,934	-	-	3,092,934
Other Contributions	282,000	-	-	282,000
Total public support	12,574,040	-	-	12,574,040
Revenue				
Special events	519,769	-	-	519,769
Interest and dividend income, net	268,030	-	403,712	671,742
In-kind revenue	95,613	-	-	95,613
Rental income	178,312	-	-	178,312
Total Revenue	13,635,764	-	403,712	14,039,476
Net assets released from restrictions	1,375,575	-	(1,375,575)	-
Total Public Support and Revenue	15,011,339	-	(971,863)	14,039,476
Expenses				
Program services:				
Education and justice	3,741,901	-	-	3,741,901
Housing	454,854	-	-	454,854
Jobs	904,585	-	-	904,585
Health	3,410,153	-	-	3,410,153
Total program services	8,511,493	-	-	8,511,493
Subsidiary services:				
CCDC – Affordable Housing CHDO	2,892,687	-	-	2,892,687
Urban Pompano, Inc.	27,346	-	-	27,346
Urban Ventures, LLC	446,871	-	-	446,871
Total subsidiary services	3,366,904	-	-	3,366,904
Supporting services:				
Fund development	820,925	-	-	820,925
General and administration	1,494,241	-	-	1,494,241
Total supporting services	2,315,166	-	-	2,315,166
Total Expenses	14,193,563	-	-	14,193,563
Change in net assets from operating activities	817,776	-	(971,863)	(154,087)
Non-operating revenue:				
Gain on investments, net	346,752	4,169	-	350,921
Gain on sale of property	199,039	-	-	199,039
Other revenue	120,730	-	-	120,730
Total change from non-operating activities	666,521	4,169	-	670,690
Total change in net assets	1,484,297	4,169	(971,863)	516,603
Net assets, beginning of year	15,965,039	93,225	3,725,424	19,783,688
Net assets, end of year	\$ 17,449,336	\$ 97,394	\$ 2,753,561	\$ 20,300,291

See accompanying notes to financial statements.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025

	Program Services				Subsidiary Services			Support Services		Total
	Housing	Jobs	Education and Justice	Health	CCCDC	Urban Pompano	Urban Ventures	Fund Development	General and Administrative	
Salaries and wages	\$ 588,969	\$ 568,666	\$ 1,417,439	\$ 1,068,682	\$ 794,091	\$ -	\$ -	\$ 340,684	\$ 792,889	\$ 5,571,420
Professional fees	9,223	58,082	82,271	45,130	108,613	-	36,153	31,192	308,015	678,679
Telephone & network	38,353	39,449	93,820	73,757	41,616	-	349	24,476	77,418	389,238
Postage	38	203	64	70	172	-	-	467	(328)	686
Office supplies	9,751	4,516	5,430	3,320	443	-	726	1,004	11,342	36,532
Conferences & meetings	7,669	2,442	23,034	4,748	8,206	-	24,729	214,678	31,193	316,699
Program services	-	140,988	190,531	33,797	851	-	-	13,834	16,946	396,947
Program supplies	3,835	1,342	26,191	7,622	1,199	-	-	12,589	2,449	55,227
Contracted services	-	-	2,432,962	149,670	-	-	-	-	86,199	2,668,831
Travel	183	2,554	12,882	21,772	757	-	-	-	1,715	39,863
Printing & publications	1,077	1,058	2,314	1,740	965	-	-	413	1,903	9,470
Dues & subscriptions	50	-	-	-	2,006	-	-	2,558	15,375	19,989
Donated services/expenses	-	-	-	-	-	-	-	86,562	38,381	124,943
Advertising	1,721	800	100	24,688	4,824	-	-	5,154	5,038	42,325
Occupancy	38,828	42,093	90,897	72,205	60,658	-	20,761	18,224	72,118	415,784
Pitch competition	-	-	-	-	10,000	-	-	-	-	10,000
Equipment rental & repair	2,942	2,569	6,667	5,564	61,493	-	10,441	1,142	18,933	109,751
License and fees	58	64	267	254	3,745	-	1,110	428	2,563	8,489
Bank charges	-	-	-	-	80	-	-	-	25,359	25,439
Auto	-	-	541	-	-	-	-	69	6,691	7,301
Insurance	11,310	10,793	27,008	24,757	109,130	-	-	5,070	(986)	187,082
Interest	-	-	-	-	44,772	-	84,087	-	270	129,129
Tax fees	-	-	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	346,443	-	-	-	-	346,443
Miscellaneous expenses	-	-	49	-	-	-	-	-	9,576	9,625
Depreciation expense	-	-	-	-	31,288	-	286,210	-	-	317,498
Total expenses	\$ 714,007	\$ 875,619	\$ 4,412,467	\$ 1,537,776	\$ 1,631,352	\$ -	\$ 464,566	\$ 758,544	\$ 1,523,059	\$ 11,917,390

See accompanying notes to financial statements.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Program Services				Subsidiary Services			Support Services		Total
	Housing	Jobs	Education and Justice	Health	CCDC	Urban Pompano	Urban Ventures	Fund Development	General and Administrative	
Salaries and wages	\$ 386,369	\$ 444,434	\$ 974,099	\$ 1,895,091	\$ 896,609	\$ -	\$ -	\$ 362,088	\$ 704,049	\$ 5,662,739
Professional fees	1,954	149,911	42,531	191,210	213,389	1,368	37,463	33,639	599,156	1,270,621
Telephone & network	21,968	30,821	59,757	126,407	59,920	-	50	33,519	37,529	369,971
Postage	121	150	363	908	221	-	-	895	512	3,170
Office supplies	3,135	5,999	7,599	12,892	2,919	-	3,052	2,353	12,527	50,476
Conferences & meetings	3,058	2,858	10,272	9,651	22,510	-	12,667	21,867	34,871	117,754
Program services	400	210,477	98,757	81,310	4,798	-	-	17,687	(1,467)	411,962
Program supplies	-	2,106	22,151	9,128	1,422	-	448	4,711	(14)	39,952
Contracted services	-	-	2,422,389	792,454	1,000,000	-	-	-	-	4,214,843
Travel	47	2,229	6,447	28,142	156	-	-	-	453	37,474
Printing & publications	514	661	1,338	-	946	-	-	1,128	-	4,587
Dues & subscriptions	100	-	-	-	1,188	-	-	1,238	9,895	12,421
Donated services/expenses	-	-	-	-	788	-	-	94,825	-	95,613
Advertising	6,861	6,166	700	104,878	12,076	-	-	221,978	5,140	357,799
Occupancy	18,103	35,048	68,087	101,063	84,456	-	25,122	15,887	31,404	379,170
Pitch competition	2,347	2,930	5,897	12,092	19,019	-	-	1,606	120	44,011
Equipment rental & repair	1,335	131	233	569	217,913	-	10,073	1,101	4,294	235,649
License and fees	-	-	-	-	5,830	500	642	-	5,633	12,605
Bank charges	-	-	31	-	84	-	-	-	24,168	24,283
Auto	-	-	-	1,082	-	-	-	-	11,222	12,304
Insurance	8,542	10,664	21,450	43,276	106,397	-	-	5,738	12,053	208,120
Interest	-	-	-	-	69,449	-	90,671	-	-	160,120
Tax fees	-	-	(200)	-	1,243	25,478	-	665	1,329	28,515
Bad debt	-	-	-	-	136,363	-	-	-	-	136,363
Miscellaneous expenses	-	-	-	-	3,703	-	-	-	1,367	5,070
Depreciation expense	-	-	-	-	31,288	-	266,683	-	-	297,971
Total expenses	\$ 454,854	\$ 904,585	\$ 3,741,901	\$ 3,410,153	\$ 2,892,687	\$ 27,346	\$ 446,871	\$ 820,925	\$ 1,494,241	\$ 14,193,563

See accompanying notes to financial statements.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 976,011	\$ 516,603
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Bad debt expense	346,443	99,765
Depreciation	317,498	305,446
Investment unrealized gains	(294,437)	(350,921)
Loss (gain) on sale of fixed assets	6,020	(199,039)
Donated assets	(534,080)	-
Reduction of right-of-use assets	(12,539)	116,187
Change in right-of-use liabilities	12,539	(116,187)
Grants and contracts receivable	521,617	(417,486)
Other receivable	(13,392)	-
Prepaid expenses and other assets	29,600	(37,562)
Fixed endowment	(5,884)	-
Bond issue costs	52,326	-
Funds held in Escrow	551,000	-
Accounts payable and accrued expenses	(567,502)	90,746
Loan payable	5,000,000	-
Refundable advances and deferred revenues	(1,074,617)	(131,016)
Net cash provided by (used in) operating activities	5,310,603	(123,464)
Cash flows from investing activities:		
Proceeds from sale of property	-	543,910
Purchase of property and equipment	(6,210,480)	(90,034)
Proceeds from investments	(86,596)	(65,145)
Net cash (used in) provided by investing activities	(6,297,076)	388,731
Cash flows from financing activities		
Change in DACA loan loss reserve	-	(18,490)
Principal payments on CEC mortgage loan, net of amortization of bond costs	(203,766)	(158,914)
Purchases of loan receivables	(215,001)	(740,000)
Proceeds from note payable	93,669	834,825
Repayment of loan receivables	386,584	188,772
Net cash provided by financing activities	61,486	106,193
Change in cash and cash equivalents	(924,987)	371,460
Cash and cash equivalents, beginning of year	15,243,361	14,871,901
Cash and cash equivalents, end of year	\$ 14,318,374	\$ 15,243,361
Displayed as:		
Cash and cash equivalents	\$ 9,738,408	\$ 10,783,967
Restricted cash and cash equivalents	4,579,966	4,459,394
Total cash	\$ 14,318,374	\$ 15,243,361
Supplemental disclosure of additional cash flow information:		
Cash paid for interest during the year	\$ 157,959	\$ 160,120
Right-of-use asset obtained in exchange for lease obligation		
Operating lease	\$ 71,639	\$ 94,098
Reductions to right-of-use assets		
Operating lease	\$ 220,890	\$ 116,187

See accompanying notes to financial statements.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 1 – NATURE OF OPERATIONS

Organization

The Urban League of Broward County, Inc. (“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 88 employees and directly serves over 10,922 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 ULBC subsidiaries are as follows:

- Central County Community Development Corporation (“CCDC”), 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 CCDC also provides support for community development and economic development activities, such as small business lending and loan funds. CCDC is also recognized as a Community Development Housing Organization (“CHDO”) certified by the Florida Housing Finance Corporation and Broward County, Florida. In 2020, CCDC also became a U.S. Department of Treasury Certified Community Development Financial Institution.
- Urban Pompano, Inc. was dissolved in December 2023 and is no longer a subsidiary as of the date of these financial statements. The net assets were transferred to ULBC.
- 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 ULBC 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.

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.

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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 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. By the end of fiscal year 2024-2025 Urban League Board of Directors consisted of 24 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 10 consecutive years. The Board has 5 standing committees (Executive, Governance, Board Relations, Finance, and Audit). In addition, the Board of Directors has ad hoc committees including Marketing, Human Resources Subcommittee, Bylaws Subcommittee, and Social Enterprise/Village Development.

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.

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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 total \$2,802,791 and \$2,850,955, as reclassified, as of June 30, 2025 and 2024, respectively. See Note 15.

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.

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.

Grants Receivable

Grants receivable represent reimbursable costs incurred and accrued but not yet received as of the year ended June 30, 2025 and 2024. ULBC considers grants receivable to be fully collectible; accordingly, no allowance for credit losses has been established. If receivables become uncollectible, they will be charged to operations when that determination is made.

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.

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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.

Allowance for credit losses reflects the expected future credit losses over the life of the financial asset. The allowance for credit losses is established based on prior and forecasted collection experience, as well as current and future economic factors that, in management's judgment, could influence the ability of account receivable debtors to repay the amounts per the credit terms.

Housing Inventory

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

Property and Equipment

ULBC capitalizes all expenditure 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, 2025 and 2024 was \$7,475 and \$7,475 respectively.

Refundable Advances and Deferred Revenue

ULBC has recorded restricted grant awards as refundable advances for approximately \$1,519,561 and \$2,594,178 as of June 30, 2025 and 2024, 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.

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.

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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’s tax returns are subject to possible examination by taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

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, was as follows:

	2025	2024
Total Cash in Bank	\$ 14,318,374	\$ 15,243,361
Less: Portion insured by FDIC	1,495,536	1,313,396
Uninsured cash balances	\$ 12,822,838	\$ 13,929,965

ULBC invests in a variety of publicly traded investment vehicles, including common stocks, government and money market funds totaling \$4,242,590 and \$3,881,772 as of June 30, 2025 and 2024, 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.

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.

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.

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FASB ASC 842, Leases

ULBC recognizes and measures its leases in accordance with FASB ASC 842, Leases. ULBC is a lessee in a noncancellable operating lease for office space with one of its subsidiaries. ULBC determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. ULBC recognizes a lease liability and a right-of-use (“ROU”) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise ULBC uses its incremental borrowing rate.

The implicit rates of our leases are not readily determinable and accordingly, ULBC uses the incremental borrowing rate based on the information available at the commencement date for all leases. ULBC’s incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

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.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on the change in net assets or total net assets for the years presented.

Subsequent Events

Under FASB ASC Topic 855, 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 and iBridge LLC announced in April 2025 the formation of Impactful LLC, a new joint venture focused on providing technology solutions to help nonprofit organizations enhance their operations and amplify their impact. Although the joint venture was legally established during the fiscal year, no operational activities occurred until after June 30, 2025. This strategic partnership unites the technological expertise of iBridge with the deep understanding of community best practice solutions held by the ULBC.

This partnership underscores ULBC’s commitment to empowering its staff and other nonprofits to maximize their impact. This initiative underscores ULBC’s commitment to leveraging

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technology effectively, to boosting economic resiliency, to enhancing the ability to strengthen and to providing crucial support to the community.

Kairos IMS is a case management platform that was developed under this initiative and is designed for not-for-profits to meet the unique needs of community organizations. Its foundation is a modern, cloud-based architecture that enables secure, reliable, and scalable delivery of services to users.

Management is evaluating the financial impact of this joint venture. No adjustments have been made to the accompanying consolidated financial statements.

ULBC has evaluated the subsequent events through October 29, 2025, which is the date the financial statements were available to be issued.

NOTE 3 – RESTRICTED CASH

Restricted cash at June 30, represents amounts to be used specifically for:

	<u>2025</u>	<u>2024</u>
Community Empowerment Campaign	\$ 1,251,756	\$ 1,168,949
Escrow bank account	681,283	597,611
State Program Funds	31,686	19,676
Florida Commerce Loan Loss Reserve Fund	2,615,241	2,673,158
	<u>\$ 4,579,966</u>	<u>\$ 4,459,394</u>

NOTE 4 – INVESTMENTS

Investments represent two Endowment Funds 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, and consist of the following:

	<u>2025</u>	<u>2024</u>
Equities	\$ 1,730,581	\$ 1,487,217
Fixed income	96,662	2,299,854
Other investments	2,518,625	192,095
Total investments & endowment	<u>\$ 4,345,868</u>	<u>\$ 3,979,166</u>

Interest, dividends, and investment income is composed of the following for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 114,118	\$ 98,641
Net gain	294,437	350,921
Investment expenses	(41,854)	(33,496)
	<u>\$ 366,701</u>	<u>\$ 416,066</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

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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.

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.

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The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2025:

Description	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments	\$ 4,242,590	\$ 4,242,590	\$ -	\$ -
Endowment	103,278	-	103,278	-
	<u>\$ 4,345,868</u>	<u>\$ 4,242,590</u>	<u>\$ 103,278</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2024:

Description	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments	\$ 3,881,772	\$ 3,881,772	\$ -	\$ -
Endowment	97,394	-	97,394	-
	<u>\$ 3,979,166</u>	<u>\$ 3,881,772</u>	<u>\$ 97,394</u>	<u>\$ -</u>

NOTE 6 – LOANS RECEIVABLE

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 2.5% and 9.77% and have minimum payments between \$515 and \$2,834. The loans have various maturity dates between February 2025 through July 2029.

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The loan portfolio consisted of the following at June 30:

<u>Borrower</u>	<u>2025</u>	<u>2024</u>
2Lyons Erospace LLC	\$ 142,940	\$ 163,413
A+ School Supply, LLC	36,236	47,319
A.B.F. Learning Center, Inc.	27,721	34,539
All Construction	88,936	126,144
Arepa Bar	131,825	150,000
BCMB Enterprises	-	72,585
Blu Bliss Massage & Spa, LLC	28,784	28,784
Broward County Minority Builders Coalition	59,293	72,820
CC & C Consulting Group	6,070	9,436
CommSurIT	74,194	-
David iPhoto	38,988	44,576
Dennis Bobcat	57,535	76,083
EDC3 LLC	122,645	149,521
Gonzague Foods	84,179	100,000
ILA Corporation d/b/a VM2020	85,812	101,672
Johnson Adjusting & Mediation Services	35,038	49,856
LAM Painting and Refinishing	117,869	125,000
LunaLite	125,000	-
Pleasant Image Distributing, Inc.	-	36,212
Precision Beauty	95,625	95,625
Prizm Art	-	197,096
Pro Industrial Maintenance & Service LLC	86,301	90,000
Quality Engineering LLC	29,436	36,047
Social Blessing, LLC	39,516	48,545
Socially Buzz	68,180	83,740
The Leap Group	-	100,000
The Rose Group	7,010	18,798
	<u>1,589,133</u>	<u>2,057,811</u>
Less:		
Allowance for credit losses	(137,098)	(89,662)
Loan loss reserve	(83,810)	(83,810)
Total loans receivable, net	<u>\$ 1,368,225</u>	<u>\$ 1,884,339</u>

NOTE 7 – 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, 2025 and 2024, the fund balance with earnings (losses) less distributions totaled approximately \$530,521 and \$500,297, 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 years ended June 30, 2025 and 2024 was \$24,266 and \$25,597, respectively.

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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 8 – HOUSING INVENTORY AND NSP LOAN

Housing inventory consists of the following at June 30:

<u>Funding Source</u>	<u>Home Reference</u>	<u>2025</u>	<u>2024</u>
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		(428,319)	(397,030)
Total Inventory		<u>\$ 883,340</u>	<u>\$ 914,629</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, 2025 and 2024, 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 exists, 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, 2025 and 2024, respectively.

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Appraisal Value

In 2024, ULBC hired an appraiser to value its properties, the appraisal values of land and property are as follows:

<u>Funding Source</u>	<u>Home Reference</u>	<u>Appraisal Value</u>
JP Morgan Chase	Pompano 206	\$ 180,000
Self-financed	Washington Park - House 2905	450,000
NSP - BAND - City of Plantation	Plantation - House 931	480,000
NSP - BAND - City of Plantation	Plantation - House 9	475,000
NSP - BAND - City of Plantation	Plantation - House 8	475,000
NSP - BAND - City of Plantation	Plantation - House 216	470,000
NSP - BAND - City of Plantation	Plantation - House 217	535,000
NSP - BAND - City of Plantation	Plantation - House 475	480,000
		<u>\$ 3,545,000</u>

<u>Funding Source</u>	<u>Building and Land</u>	<u>Appraisal Value</u>
TD Bank	560 NW 27th Avenue - Building	\$ 8,610,000
Self-financed	NW 26th Street, Oakland Park - Land	3,190,000
		<u>\$ 11,800,000</u>

NOTE 9 – FUNDS HELD IN ESCROW

In September 2021, ULBC entered into a sale and purchase agreement with The School Board of Broward County, Florida to purchase a property for \$5,360,000. Under the terms of the agreement, a deposit of \$536,000 was placed into escrow, as well as an additional \$15,000 to extend the date of completion for the inspection period. As of June 30, 2024, \$551,000 was reflected as funds held in escrow on the statement of financial position.

During fiscal year 2025, the escrowed funds were utilized in connection with the completion of the property purchase and payment of related closing and transaction fees. In addition, ULBC obtained a loan in the amount of \$5,000,000 during 2025 to finance the remaining portion of the acquisition cost. The sale and purchase agreement included specific entitlement approvals and milestones that were met for the finalization of the purchase of the property.

NOTE 10 – OTHER ASSETS

Beginning in November 2021, CCCDC incurred costs associated with the construction of three homes that are to be sold upon completion. During the year ended June 30, 2023, two of the three sales were finalized and the loss on sale of assets was recorded on the statement of activities. During the year ended June 30, 2024, the remaining \$253,839 was sold at a loss. Accordingly, the loss on the sale of the asset has been recorded on the accompanying statement of activities and the corresponding asset sold has been reduced.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

NOTE 11 – FIXED ASSETS

Fixed assets as of June 30, as follows:

	2025	2024
Land	\$ 6,451,519	\$ 451,425
Building (CEC)	5,954,298	5,954,465
Building and improvements	1,870,428	1,111,542
Furnishings and equipment	462,078	462,078
Vehicles	75,857	75,857
Software	169,752	184,006
Total fixed assets	14,983,932	8,239,373
Less: accumulated depreciation	(3,394,734)	(3,120,568)
Total fixed assets, net	\$ 11,589,198	\$ 5,118,805

Depreciation expense, was approximately \$317,498 and \$266,683 for the years ended June 30, 2025 and 2024, respectively.

NOTE 12 – RIGHT-OF-USE ASSETS AND LIABILITIES

In August 2022, ULBC entered into an operating lease with one of its subsidiaries for the use of office space. Additionally, in December 2023 and January 2024, ULBC entered into operating agreements for copier equipment and a vehicle. An interest rate of 3.99% was used to discount the annual lease payments and recognize the intangible right to use these assets and the lease liability. The remaining lease terms range from 2.5 to 7.6 years. During the years ended June 30, 2025 and 2024, the lease expense of the right-of-use assets totaled \$276,000 and \$289,296, respectively. These amounts are eliminated in consolidation.

Annual lease expenses are estimated as follows at:

June 30,	
2026	\$ 300,191
2027	297,057
2028	292,668
2029	285,723
2030	276,000
Thereafter	433,176
	1,884,815
Less: effects of discounting	(216,061)
Total	\$ 1,668,754

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 5 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 provided service levels of \$915,112 and \$919,194 for the years ended June 30, 2025 and

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

2024, respectively. Accordingly, no right-of-use asset or liability has been recorded in connection with this agreement.

NOTE 13 – 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, 2025 and 2024 amounted to \$1,801,640 and \$1,960,555, respectively. For the year ended June 30, 2025, ULBC has complied with all compliance covenants from the bondholder. Maturities of the loan in each of the next 5 fiscal years and thereafter are as follows:

June 30,		
2026	\$	207,907
2027		216,356
2028		225,148
2029		234,297
2030		274,418
Thereafter		643,514
Total loan payable		1,801,640
Less: unamortized bond issuance costs		(44,851)
Total loan payable, net	\$	1,756,789

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, 2025 and 2024, the unamortized deferred financing cost on the loan was \$44,851 and \$52,326, 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, 2025 and 2024 was \$0.

NOTE 14 – LOAN FUND

The State of Florida, through the Department of Economic Opportunity, now Florida Department of Commerce, 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 agreement was renewed in 2025 to extend through June 30,

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

2035. The State of Florida Department of Treasury maintains a Special Purpose Investment Account (“SPIA”), that holds the loan loss reserve funds established for the Urban League.

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 2 years and with a maximum number of 25 employees. Loans will range from \$10,000 to \$1,000,000 and each eligible loan will receive a 50% guarantee from the loans loss guarantee and shall be guaranteed up to three years or end of their term, whichever is sooner. Only one guarantee will be obligated to a single borrower at any point in time.

As of June 30, 2025 and 2024, ULBC has a total of \$1,368,225 and \$2,895,458, respectively, for the loan guarantee. This amount is included in net assets with donor restrictions and will only be accessed as reserves for loan losses.

On November 12, 2021, CCCDC entered into an agreement with American Express National Bank for a loan in the amount of \$1,000,000 bearing interest at a rate of 2.5% per annum. The principal balance is due on November 12, 2026, the “maturity date”. The loan proceeds are to be used to provide loans for small businesses and the development financing of affordable housing and neighborhood revitalization. The \$1,000,000 is reflected in the long-term portion of the loan fund on the statement of financial position.

On June 29, 2021, CCCDC entered into an agreement with Truist Bank for a loan of up to \$1,000,000 with a maturity date of June 29, 2026. CCCDC may draw down funds as needed. The Fund will support and increase the access to capital for minority and women-owned small businesses throughout Florida, focusing specifically on Fort Lauderdale, West Palm Beach and Miami-Dade MSAs. The Fund will use loan proceeds to extend loans, as well as technical assistance and coaching, to underserved businesses, minority owned small businesses and entrepreneurs. As of the date of these financial statements, \$255,000 had been drawn down and is reflected in the long-term portion of the loan fund on the statement of financial position.

On July 14, 2023, CCCDC entered into an agreement with TD Bank for a loan totaling \$1,000,000 with a maturity date not to exceed July 14, 2031 which includes the initial loan term and the additional annual extensions. to provide capital to minority owned and minority managed small businesses with the intent to lend to Black Indigenous People of Color (“BIPOC”) businesses throughout the state of Florida. Interest payments at 2.5% are to be paid quarterly on the \$500,000 that has been drawn down.

On November 8, 2023, CCCDC entered into an agreement with Third Federal Bank for a loan totaling \$250,000, with a maturity date not to exceed November 8, 2038, which includes the initial loan term and the additional annual extension to provide capital to low to moderate income, minority and/or women owned and/or minority led small businesses in Broward County. Interest payments at 2% are to be paid quarterly.

On November 4, 2024, ULBC entered into an agreement with AIDS Healthcare Foundation (“AHF”), a non-profit public benefit corporation for a loan totaling \$5,000,000 under a balloon promissory note to purchase property from The School Board of Broward County, Florida to build a multi-family affordable housing complex.

NOTE 15 – 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

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

invested by the Foundation in mutual stock funds. The market value of the mutual funds at June 30, 2025 and 2024 was \$103,278 and \$97,394, respectively.

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

Description	2025	2024*
Urban Venture	\$ 2,442	\$ 244,309
Central County Community Development Corp.	2,697,071	2,509,252
Endowment fund held at the Foundation	103,278	97,394
Total net assets with donor restrictions	\$ 2,802,791	\$ 2,850,955

*reclassified

Net assets with donor restrictions are held as follows as of June 30:

Description	2025	2024
Cash	\$ 2,699,513	\$ 2,753,561
Endowment	103,278	97,394
Total net assets with donor restrictions	\$ 2,802,791	\$ 2,850,955

NOTE 16 – CONTRIBUTED NON-FINANCIAL ASSETS

During the years ended June 30, 2025 and 2024, contributed non-financial assets recognized within the statement of activities included:

	2025	2024
Donated land	\$ 534,080	\$ -
Donated supplies	124,943	95,613
	\$ 659,023	\$ 95,613

These amounts are recorded at their fair value at the time of donation.

NOTE 17 – 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, 2025 and 2024, fundraising expense was approximately \$759,000 and \$821,000, respectively.

NOTE 18 – 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 \$90,000 and \$113,000 for the years ended June 30, 2025 and 2024, respectively.

NOTE 19 – 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.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

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.

NOTE 20 – 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:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 9,738,408	\$ 10,783,967
Investments	4,242,590	3,881,772
Grants and contracts receivable	1,961,156	2,482,773
Total current assets available	<u>15,942,154</u>	<u>17,148,512</u>
Less those unavailable for general expenses within one year as follows:		
Board designated activities	<u>(670,948)</u>	<u>(670,948)</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 15,271,206</u>	<u>\$ 16,477,564</u>

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 consolidated financial statements of Urban League of Broward County, Inc. (“ULBC”) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 29, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered ULBC’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of ULBC’s internal control. Accordingly, we do not express an opinion on the effectiveness of 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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

**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* - Continued**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ULBC's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. 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.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is positioned above a light blue horizontal line.

Hollywood, Florida
October 29, 2025

OTHER INFORMATION

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2025

	Urban League of Broward County, Inc.	CCCDC	Urban Ventures	Inter- company Eliminations	Consolidated Total
Assets					
Current Assets:					
Cash and cash equivalents	\$ 6,320,775	\$ 3,417,633	\$ -	\$ -	\$ 9,738,408
Restricted cash	31,686	2,615,240	1,933,040	-	4,579,966
Short-term investments	4,242,590	-	-	-	4,242,590
Grant Receivable	1,960,146	1,010	-	-	1,961,156
Other Receivable	876,242	-	13,392	(876,242)	13,392
Loan receivables, current	-	908,576	-	-	908,576
Prepaid expenses	44,453	56,630	-	-	101,083
Total current assets	<u>13,475,892</u>	<u>6,999,089</u>	<u>1,946,432</u>	<u>(876,242)</u>	<u>21,545,171</u>
Property and equipment, net	6,681,938	551,318	4,355,942	-	11,589,198
SB loan fund receivable	-	500,000	-	-	500,000
Loan receivables, net	-	543,459	-	-	543,459
Endowment	103,278	-	-	-	103,278
Housing inventory, net	-	883,340	-	-	883,340
Right-of-use assets	1,668,754	-	-	(1,597,115)	71,639
Total assets	<u>\$ 21,929,862</u>	<u>\$ 9,477,206</u>	<u>\$ 6,302,374</u>	<u>\$ (2,473,357)</u>	<u>\$ 35,236,085</u>
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable	660,819	55,091	823,378	(876,242)	663,046
Accrued payroll	104,426	-	-	-	104,426
Accrued vacation	152,300	27,284	-	-	179,584
Refundable advances and deferred revenue	1,075,357	444,204	-	-	1,519,561
Loan Reserves from Borrowers	-	18,108	-	-	18,108
CEC mortgage loan payable - current	-	-	207,907	-	207,907
Small business loan fund - accrued interest	-	28,750	-	-	28,750
Right-of-use liabilities, current portion	324,382	-	-	(300,191)	24,191
Total current liabilities	<u>2,317,284</u>	<u>573,437</u>	<u>1,031,285</u>	<u>(1,176,433)</u>	<u>2,745,573</u>
NSP loan covenant	-	1,047,178	-	-	1,047,178
Loan loss reserve	-	65,702	-	-	65,702
Due to AHF	5,000,000	-	-	-	5,000,000
CEC mortgage loan payable	-	-	1,548,882	-	1,548,882
Small business loan fund	-	3,505,000	-	-	3,505,000
Right-of-use liabilities	1,344,372	-	-	(1,296,924)	47,448
Total Liabilities	<u>8,661,656</u>	<u>5,191,317</u>	<u>2,580,167</u>	<u>(2,473,357)</u>	<u>13,959,783</u>
Net Assets					
Without donor restrictions – board designated	670,948	-	-	-	670,948
Without donor restrictions	12,493,980	1,588,818	3,719,765	-	17,802,563
With donor restrictions	103,278	2,697,071	2,442	-	2,802,791
Total net assets	<u>13,268,206</u>	<u>4,285,889</u>	<u>3,722,207</u>	<u>-</u>	<u>21,276,302</u>
Total liabilities and net assets	<u>\$ 21,929,862</u>	<u>\$ 9,477,206</u>	<u>\$ 6,302,374</u>	<u>\$ (2,473,357)</u>	<u>\$ 35,236,085</u>

See accompanying notes to financial statements.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

	Urban League of Broward County, Inc.	CCCDC	Urban Ventures	Inter- company Eliminations	Consolidated Total
Public Support					
Federal Grants	\$ 3,266,245	\$ -	\$ -	\$ -	\$ 3,266,245
State Grants	3,182,438	-	-	-	3,182,438
Broward County Grants	949,296	16,000	-	-	965,296
United Way	263,826	-	-	-	263,826
Foundation Grants	1,784,802	582,210	-	-	2,367,012
Other Contributions	384,249	6,206	-	-	390,455
Total Public Support	<u>9,830,856</u>	<u>604,416</u>	<u>-</u>	<u>-</u>	<u>10,435,272</u>
Revenue					
Special Events	525,203	-	-	-	525,203
Interest & Dividend Income	372,530	282,063	80,123	-	734,716
In-Kind Revenue	124,943	534,080	-	-	659,023
Rental Revenue	-	137,183	351,664	(276,000)	212,847
Total Revenue	<u>1,022,676</u>	<u>953,326</u>	<u>431,787</u>	<u>(276,000)</u>	<u>2,131,789</u>
Total Public Support and Revenue	<u>10,853,532</u>	<u>1,557,742</u>	<u>431,787</u>	<u>(276,000)</u>	<u>12,567,061</u>
Expenses					
Salaries, Benefits, Payroll Taxes	4,777,329	794,091	-	-	5,571,420
Professional Fees	533,913	108,613	36,153	-	678,679
Telephone and Network	347,273	41,616	349	-	389,238
Postage	514	172	-	-	686
Office Supplies	35,363	443	726	-	36,532
Staff Development, Conferences & Meetings	283,764	8,206	24,729	-	316,699
Program Services	396,096	851	-	-	396,947
Program Supplies	54,028	1,199	-	-	55,227
Contracted Services	2,668,831	-	-	-	2,668,831
Travel Expenses	39,106	757	-	-	39,863
Printing and Publications	8,505	965	-	-	9,470
Dues and Subscriptions	17,983	2,006	-	-	19,989
Donated Services/ Expenses	124,943	-	-	-	124,943
Advertising	37,501	4,824	-	-	42,325
Occupancy	580,470	90,553	20,761	(276,000)	415,784
Pitch Competition	-	10,000	-	-	10,000
Equipment Rental and Repair	37,817	61,493	10,441	-	109,751
Licenses and Fees	3,634	3,745	1,110	-	8,489
Bank Charges	25,359	80	-	-	25,439
Auto	7,301	-	-	-	7,301
Insurance	77,952	109,130	-	-	187,082
Interest	270	44,772	84,087	-	129,129
Depreciation	-	31,288	286,210	-	317,498
Miscellaneous	9,625	-	-	-	9,625
Bad debt Expense	-	346,443	-	-	346,443
Total Expenses	<u>10,067,577</u>	<u>1,661,247</u>	<u>464,566</u>	<u>(276,000)</u>	<u>11,917,390</u>
Change in net assets from operating activities	<u>785,955</u>	<u>(103,505)</u>	<u>(32,779)</u>	<u>-</u>	<u>649,671</u>
Non-operating revenue:					
Gain on investments, net	294,437	-	-	-	294,437
Other revenue	30,877	7,046	(6,020)	-	31,903
Total change from non-operating activities	<u>325,314</u>	<u>7,046</u>	<u>(6,020)</u>	<u>-</u>	<u>326,340</u>
Total change in net assets	1,111,269	(96,459)	(38,799)	-	976,011
Net assets, beginning of year	12,156,937	4,382,348	3,761,006	-	20,300,291
Net assets, end of year	<u>\$ 13,268,206</u>	<u>\$ 4,285,889</u>	<u>\$ 3,722,207</u>	<u>\$ -</u>	<u>\$ 21,276,302</u>

See accompanying notes to financial statements.

**URBAN LEAGUE OF
BROWARD COUNTY, INC. AND SUBSIDIARIES
REPORTS REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL
FOR THE YEAR ENDED JUNE 30, 2025**

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
For the Year Ended June 30, 2025

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**INDEPENDENT AUDITOR’S REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE
UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

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

Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance

Opinion

We have audited the accompanying schedule of expenditures of federal awards and state financial assistance of Urban League of Broward County, Inc. and Subsidiaries (“ULBC”) (a nonprofit organization) for the year ended June 30, 2025, and the related notes (collectively, “the schedule”).

In our opinion, the accompanying schedule presents fairly, in all material respects, the expenditures of federal awards and state financial assistance of ULBC for the year ended June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Financial Assistance of Florida Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, are further described in the Auditor’s Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of ULBC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Schedule

Management is responsible for the preparation and fair presentation of the schedule 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 the schedule that is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR’S REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE
UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL –
Continued**

Auditor’s Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, 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 schedule.

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 schedule, 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 schedule.
- 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 ULBC’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 schedule.

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.

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Hollywood, Florida
December 8, 2025

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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Urban League of Broward County, Inc.'s ("ULBC") (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and in the State of Florida's Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of ULBC's major federal programs and state projects for the year ended June 30, 2025. ULBC's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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 major federal programs and state projects for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Florida Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of ULBC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of ULBC's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to ULBC’s federal programs and state projects.

Auditor’s Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on ULBC’s compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about ULBC’s compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 ULBC’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of ULBC’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of ULBC’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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

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

assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and 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 federal program and 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 Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is positioned above a light blue horizontal line.

Hollywood, Florida
December 8, 2025

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

<i>Federal or Grantor/Pass-through Program Title</i>	<i>Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Expenditure</i>
U.S. Department of Health and Human Services			
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	93.332	NAVA210437-03-00	\$ 332,261
Passed-through Broward Healthy Start Coalition:			
Medical Assistance Program	93.778	ULBC2023HS R1	606,301
Maternal and Child Health Services Block Grant to the States	93.994	ULBC2023HS R1	82,604
Healthy Start Initiative	93.926	ULBC2024HRSA R02	308,486
Subtotal passed-through Broward Healthy Start Coalition			<u>997,391</u>
Passed-through Broward College:			
Innovative Approaches to Literacy; Promise Neighborhoods; Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects	84.215	S215N210041/24-2613	382,472
Innovative Approaches to Literacy; Promise Neighborhoods; Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects	84.215	22-2619	127,025
Subtotal passed-through Broward College			<u>509,497</u>
Total U.S. Department of Health and Human Services			<u>1,839,149</u>
U.S. Department of Treasury			
Coronavirus Capital Projects Fund	21.029	BB211	848,365
Total U.S. Department of Treasury			<u>848,365</u>
U.S. Department of Housing and Urban Development			
Passed-through National Urban League:			
Housing Counseling Assistance Program	14.169	NUL/HUD HC230018010	169,959
Total U.S. Department of Housing and Urban Development			<u>169,959</u>
U.S. Department of Justice			
Passed-through Office of the Attorney General:			
Community Based Approaches to Advancing Justice	16.047	15PBJA-23-GG-04173- ADVA	66,086
Total U.S. Department of Justice			<u>66,086</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,923,559</u>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2025

<i>State Grantor/Pass-through Program Title</i>	<i>CSFA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Expenditure</i>
Florida Department of Legal Affairs and Attorney General			
Youth Crime Prevention and Intervention Program	41.005	C-00002	\$ 2,910,511
Total Florida Department of Legal Affairs and Attorney General			<u>2,910,511</u>
Florida Department of Health			
Minority Health Initiatives	64.052	CMO63	40,105
<i>Passed-through Broward Healthy Start Coalition:</i>			
Healthy Start Coalitions	64.131	ULBC2023HS R1	<u>57,402</u>
Total Florida Department of Health			<u>97,507</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 3,008,018</u>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
For the Year Ended June 30, 2025

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) presents the expenditures activity of all federal awards and all state financial assistance projects activity of ULBC for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the requirements of the Florida Single Audit Act. Because the Schedule presents only a selected portion of the expenditures of ULBC, it is not intended to and does not present the financial position, changes in net position or cash flows of ULBC. Some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the basic financial statements. ULBC’s reporting entity is defined in Note 1 of ULBC’s basic financial statements, which were issued separately from this report. All federal awards and state financial assistance received directly from federal, state and indirectly through state agencies, as well as amounts passed through other government agencies are included in the accompanying Schedule.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Expenditures are recognized on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Florida Department of Financial Services’ State Projects Compliance Supplement, wherein certain types of expenditures are not allowed or are limited as to reimbursement. ULBC did not have any loan programs and did not receive any Federal or State non – cash assistance for the fiscal year ended June 30, 2025.

NOTE 3 - INDIRECT COST RATE

ULBC did elect to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

NOTE 4 – CONTINGENCIES

Grant monies received and disbursed by ULBC are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, ULBC does not believe that such disallowances, if any, would have a material effect on the financial position of ULBC. As of December 8, 2025 management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed; however, the possible disallowance by a governmental agency of any item charged to a program or project cannot be determined at this time.

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statement audited were prepared in accordance with GAAP:

Unmodified

- Material weakness(es) identified? ___ Yes X No

- Significant deficiency(ies) identified that are not considered to be a material weaknesses? ___ Yes X None Reported

- Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards and State Projects

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ___ Yes X None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650 Rules of the Auditor General?

___ Yes X No

Identification of major federal program:

<u>ALN</u>	<u>Name of Major Federal Programs</u>
21.029	Coronavirus Capital Projects Fund Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as a low-risk auditee?

X Yes ___ No

Identification of major state project:

<u>CSFA Number</u>	<u>Name of Major State Project</u>
41.005	Youth Crime Prevention and Intervention Program

Dollar threshold used to distinguish between Type A and Type B projects:

\$ 750,000

URBAN LEAGUE OF BROWARD COUNTY, INC. AND SUBSIDIARIES
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2025

Section II - Financial Statement Current Year Findings and Questioned Costs

There were no findings and questioned costs noted during the current year.

Section III - Financial Statement Prior Year Findings and Questioned Costs

There were no findings and questioned costs noted during the prior year.

Section IV – Federal Awards Current Year Findings and Questioned Costs

There were no findings and questioned costs noted during the current year.

Section V – Federal Awards Prior Year Findings and Questioned Costs

There were no findings and questioned costs noted during the prior year.

Section VI – State Projects Current Year Findings and Questioned Costs

There were no findings and questioned costs noted during the current year.

Section VII – State Projects Prior Year Findings and Questioned Costs

There were no findings and questioned costs noted during the prior year.

Section VIII – Other Issues

No management letter was issued in accordance with the Rules of the Auditor General, Chapter 10.650.