

**URBAN LEAGUE OF
PALM BEACH COUNTY, INC**

FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FROM JUNE 30, 2022
TOGETHER WITH REPORT OF INDEPENDENT ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Urban League of Palm Beach County, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Urban League of Palm Beach County, Inc (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flow for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Urban League of Palm Beach County, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended 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 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 Urban League of Palm Beach County, Inc. 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Urban League of Palm Beach County, Inc.'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 Urban League of Palm Beach County, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Urban League of Palm Beach County, Inc.'s June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023, on our consideration of Urban League of Palm Beach County, Inc'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 Urban League of Palm Beach County, Inc '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 Urban League of Palm Beach County, Inc 's internal control over financial reporting and compliance.

William Washington, CPA

Riviera Beach, FL
October 27, 2023

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
WITH COMPARATIVE TOTALS FROM JUNE 30, 2022

	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>
<u>ASSETS</u>		
Cash & Cash Equivalents	\$ 2,098,483	\$ 1,317,875
Grants & Other Receivable	266,206	311,844
Due from Other Organization	7,646	28,441
Prepaid Expenses	55,585	43,250
Deposits	7,518	7,268
Building, Land & Equipment - Net	<u>486,778</u>	<u>424,221</u>
Total Assets	<u>\$ 2,922,216</u>	<u>\$ 2,132,899</u>
 <u>LIABILITIES</u>		
Accounts Payable	33,024	85,486
Accrued Expenses	158,400	119,064
Deferred Revenue	<u>608,246</u>	<u>328,063</u>
Total Liabilities	<u>799,670</u>	<u>532,613</u>
 <u>NET ASSETS, WITHOUT DONOR RESTRICTIONS</u>	 <u>2,122,546</u>	 <u>1,600,286</u>
 Liabilities & Net Assets	 <u>\$ 2,922,216</u>	 <u>\$ 2,132,899</u>

Read Accompanying Notes

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FROM JUNE 30, 2022

	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>
SUPPORT & REVENUE		
Grants & Contracts	\$ 4,899,302	\$ 4,169,439
Contributions	5,645,205	444,111
Donated Materials & Services	330,819	346,708
Other	154,743	78,644
Total Revenue	<u>11,030,069</u>	<u>5,038,902</u>
 EXPENSES		
Youth Program Services	1,413,837	1,420,626
Other Program Services	<u>8,027,259</u>	<u>2,785,247</u>
Total Program Services	<u>9,441,096</u>	<u>4,205,873</u>
Support Services		
General & Administrative	593,989	459,468
Fund Raising	<u>472,724</u>	<u>180,236</u>
Total Support Services	<u>1,066,713</u>	<u>639,704</u>
Total Expenses	<u>10,507,809</u>	<u>4,845,577</u>
 CHANGE IN NET ASSETS	 <u>522,260</u>	 <u>193,325</u>
 BEGINNING NET ASSETS	 <u>1,600,286</u>	 <u>1,406,961</u>
 ENDING NET ASSETS, WITHOUT DONOR RESTRICTIONS	 <u>\$ 2,122,546</u>	 <u>\$ 1,600,286</u>

Read Accompanying Notes

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FROM JUNE 30, 2022

	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>
OPERATING ACTIVITIES:		
Change in Net Assets	\$ 522,260	\$ 193,325
Adjustment to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	13,627	16,503
Changes in Operating Assets and Liabilities:		
Grants and Contract Receivable	45,638	(18,115)
Due from Other Organization	20,795	(17,708)
Deposits	(250)	(216)
Other		(989)
Prepaid Expenses	(12,335)	(906)
Deferred Revenue	280,183	104,336
Accrued Expenses	39,336	38,985
Accounts Payable	(52,462)	17,731
Net Cash Provided by (Used in) Operating Activities	<u>856,792</u>	<u>332,946</u>
INVESTING ACTIVITIES:		
Purchase of Capital Improvements	(41,488)	
Purchase of Equipment	(34,696)	
Net Cash Provided by (Used in) Investing Activities	<u>(76,184)</u>	
Increase in Cash	780,608	332,946
Cash at Beginning of Year	1,317,875	984,929
Cash at End of Year	<u>\$ 2,098,483</u>	<u>\$ 1,317,875</u>

Read Accompanying Notes

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARITIVE TOTALS FROM JUNE 30, 2022

<u>EXPENSES</u>	<u>Youth</u>	<u>Other</u>	<u>General &</u>	<u>Fund</u>	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>
	<u>Programs</u>	<u>Programs</u>	<u>Admin</u>	<u>Raising</u>	<u>Total</u>	<u>Total</u>
Auto Expense	\$ 7,986	\$ 5,705	\$ 2,424	\$ 760	\$ 16,875	\$ 3,131
Contribution		5,100,000			5,100,000	
Depreciation	6,449	4,606	1,958	614	13,627	16,503
Dues & Subscriptions		1,789	18,127	301	20,217	15,815
Development				206,166	206,166	55,850
Insurance	29,383	20,988	8,920	2,798	62,089	47,724
In-Kind Expense		330,819			330,819	346,708
Office Supplies & Exp	3,754	4,997	27,674	5,194	41,619	30,163
Outside Services	8,511	7,775	3,033	806	20,125	16,808
Professional Fees		6,298	19,322	744	26,364	34,948
Program	222,963	1,861,029		76,792	2,160,784	1,988,967
Repairs & Maintenance	20,344	14,531	6,176	1,937	42,988	39,037
Salary & Wages	1,092,644	653,149	499,737	174,536	2,420,066	2,179,195
Telephone & Internet	12,025	8,589	3,650	1,145	25,409	45,474
Utilities	9,778	6,984	2,968	931	20,661	25,254
Total Expenses	<u>\$ 1,413,837</u>	<u>\$ 8,027,259</u>	<u>\$ 593,989</u>	<u>\$ 472,724</u>	<u>\$ 10,507,809</u>	<u>\$ 4,845,577</u>

Read Accompanying Notes

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. General Description of Activities and Significant Accounting Policies:

The Urban League of Palm Beach County, Inc. (the "Organization") is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code.

The Organization was established in 1974 under the laws of the State of Florida as a nonprofit community organization to promote economic, educational, charitable, and social services for people disadvantaged by reason of race, color, or national origin in Palm Beach County.

The Organization offers stellar programs in the areas of youth empowerment, economic empowerment, and community empowerment. These programs promote housing, jobs, education and career training and placement.

The significant accounting policies that follow are presented to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses recorded when incurred.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Promises to Give

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. General Description of Activities and Significant Accounting Policies, Continued:

Property and Equipment

The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as without donor restriction contributions 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 with donor restriction contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies with donor restriction net assets to without donor restriction net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

Contributions

Contributions received are recorded as with donor restriction or without donor restriction net assets depending on the existence or nature of any donor restrictions.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Income Taxes

The Organization is a not-for-profit Organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates

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

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. General Description of Activities and Significant Accounting Policies, Continued:

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy, depreciation, insurance and interest, which are allocated on the basis of estimates of time and effort.

2. Revenue Recognition

The Organization recognizes revenue from grants and contracts when earned and other revenues and contributions when received, and expenses are recorded when incurred. Pledges or promises to give that are, in substance, unconditional are considered a basis for recording future revenue.

During the year, the Organization received a \$5.1 million gift. The gift is without restriction about how or when the money could be spent. Accordingly, the gift was included as revenue under the caption of contributions for the year ended June 30, 2023. The gift was contributed to an affiliated nonprofit organization.

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

3. Grants & Other Receivables:

The Organization receives financial assistance from federal, state, and local governmental agencies in the form of grants. The disbursement of funds received under those programs generally require compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Organization. However, in the opinion of management, such disallowance of claims, if any, would not have a material effect on the overall financial position of the Organization at June 30, 2023. Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statement of financial position. Unearned contract advances are reported as deferred revenue in the accompanying statement of financial position.

Grants and contracts receivable represent program expenses incurred for which payment was not received by the Organization as of June 30, 2023. Other receivables consist of pledges from corporate and individual donors. Management believes that all receivables are collectible; therefore, the Organization has not included a provision for uncollectible accounts. Any accounts deemed uncollectible are charged to expense when the determination is made. At June 30, 2023, the Organization has \$266,206 in grants and other receivables.

4. Summary of Fixed Assets and Depreciation

Autos & Trucks	\$ 39,767
Buildings	704,983
Land	104,017
Computers & Equipment	55,095
Furniture & Fixtures	<u>17,808</u>
	921,670
Accumulated Depreciation	<u>(434,892)</u>
	<u>\$ 486,778</u>

5. Compensated Absences:

Employees receive annual leave based upon length of employment. Annual leave may not be accumulated, and accordingly, no liability for compensated absences.

6. Related Party:

The Organization received \$1,793,895 from National Urban League for services performed under a multiple grant agreement which is included in grants and contributions.

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

7. Financial Instruments and Credit Risk:

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and foundations supportive of our mission.

8. Line of Credit:

The Organization has a revolving line of credit of \$350,000. The line bears a floating interest rate and is payable monthly. The line is secured by property, equipment, and grants and contracts receivable. There is no balance outstanding at June 30, 2023.

9. Employee Retirement Plan:

The Organization offers retirement plans to its employees and makes matching contributions. Retirement contributions for the year are \$38,522.

10. Concentration of Risks

The Organization is dependent on funding from state and local governments and various other contributors. The amount of contributions is dependent on the funds available and the budgets at the state and local levels. Lack of funding could have a significant detrimental effect on the continued operations of the Organization.

11. Date of Management Review:

Subsequent events have been evaluated through October 27, 2023, which is the date the financial statements were available for issued.

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

12. Availability and Liquidity

The following represents the Organization's financial assets at June 30, 2023:

Financial assets at year-end:	
Cash and cash equivalents	\$2,098,483
Grants and other receivables	266,206
Prepaid expenses	<u>55,585</u>
Financial assets available to meet general expenditures over the next twelve months	\$2,420,274

The goal is generally to maintain financial assets to meet 60 days of operating expenses (approximately \$525,000). As part of its liquidity plan, the Organization has a \$350,000 line of credit available to meet cash flow needs.

13. Donated Professional Services and Materials

The Organization received in-kind donated professional services and materials during the year ended June 30, 2023, of \$330,819 for program services related to our senior jobs program. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and program services on the accompanying statements of activities and statements of functional expenses.



William Washington
Certified Public Accountant

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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
Urban League of Palm Beach County, Inc.
West Palm Beach, FL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Urban League of Palm Beach County, Inc (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Urban League of Palm Beach County, Inc '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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Urban League of Palm Beach County, Inc 's internal control. Accordingly, we do not express an opinion on the effectiveness of Urban League of Palm Beach County, Inc 's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

William Washington, CPA

Riviera Beach, FL

October 27, 2023



William Washington
Certified Public Accountant

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Urban League of Palm Beach County, Inc.
West Palm Beach, FL

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Urban League of Palm Beach County, Inc 's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Urban League of Palm Beach County, Inc 's major federal programs for the year ended June 30, 2023. Urban League of Palm Beach County, Inc 's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Urban League of Palm Beach County, Inc 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 for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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; 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).^j Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Urban League of Palm Beach County, Inc 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. Our audit does not provide a legal determination of Urban League of Palm Beach County, Inc 's compliance with the compliance requirements referred to above.

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 Urban League of Palm Beach County, Inc 's federal programs.

Auditor's Responsibilities 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 Urban League of Palm Beach County, Inc '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*, and the Uniform Guidance 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 Urban League of Palm Beach County, Inc 's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Urban League of Palm Beach County, Inc'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 Urban League of Palm Beach County, Inc '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, but not for the purpose of expressing an opinion on the effectiveness of Urban League of Palm Beach County, Inc '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 assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. Accordingly, this report is not suitable for any other purpose.

William Washington, CPA

Riviera Beach, FL

October 27, 2023

**Urban League of Palm Beach County, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U. S. Department of Labor Pass through National Urban League The Urban Seniors Jobs Program	17.235		\$ 1,793,898
Pass through Urban League of Broward County Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges (ACA)	93.332		129,133
U. S. Department of Justice	16.726		34,426
U. S. Department of Housing & Urban Development	14.169		35,602
Pass through Palm Beach County Community Development Block Grant	14.218		24,390
Pass through National Urban League Neighborhood Reinvestment Corp	99.U19		20,992
Pass through National Urban League Center for Disease Control & Prevention	93.185		40,000
Total			<u>\$ 2,078,441</u>

URBAN LEAGUE OF PALM BEACH COUNTY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

NOTE 1—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 US. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles *Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (b) Pass-through entity identifying numbers are presented where available.
- (c) The Organization did elect to use the 10 percent de minimis indirect cost rate.

**URBAN LEAGUE OF PALM BEACH COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section A-SUMMARY OF AUDITOR'S RESULTS

- (a) The auditor's report expresses an unmodified opinion on the financial statements of UL.
- (b) No material weaknesses relating to the audit of the financial statements are reported in the 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. No significant deficiencies were reported.
- (c) No instances on noncompliance material to the financial statements of UL were disclosed during the audit.
- (d) No material weaknesses relating to the audit of the major federal program are reported in the independent auditor's report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance. No significant deficiencies were reported.
- (e) The independent auditor's report on compliance for each major federal program for UL expresses an unmodified opinion.
- (f) No audit findings relative to the major federal program for UL are reported in this schedule.
- (g) The program tested as a major program is U.S. Department of Labor, Urban Senior Jobs CFDA 17.235.
- (h) The threshold used for distinguishing between Type A and B programs was \$750,000.
- (i) The UL was determined to be a low-risk auditee.

Section B-FINDINGS---FINANCIAL STATEMENT AUDIT

No material weakness was identified during the audit of the financial statements nor was any instances of noncompliance material to the financial statements of UL during the audit.

Section C-FINDINGS AND QUESTIONED COSTS---MAJOR FEDERAL AWARD PROGRAMS AUDIT

None noted.

Section D No prior audit finding for federal programs. No corrective action plan is required.

Section E No prior year financial statement findings.

