

COLUMBIA URBAN LEAGUE, INC.
COLUMBIA, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2020

COLUMBIA URBAN LEAGUE, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Columbia Urban League, Inc.
Columbia, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Columbia Urban League, Inc. (the "League") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the League's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the League's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Columbia Urban League, Inc. as of December 31, 2020, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenue and expenses – community development, schedule of revenue and expenses – manpower, schedule of revenue and expenses – scholarships and the 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*, are presented for purposes of additional analysis and are 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2021, on our consideration of Columbia Urban League, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbia Urban League, Inc.'s internal control over financial reporting and compliance.



Columbia, South Carolina
November 2, 2021

AUDITED FINANCIAL STATEMENTS

COLUMBIA URBAN LEAGUE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Cash and Cash Equivalents	\$ 1,129,668
Investments	347,566
Accounts Receivable	310,061
Prepaid Expenses and Other Current Assets	4,228
Property and Equipment, Net	<u>349,948</u>

TOTAL ASSETS	<u><u>\$ 2,141,471</u></u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 36,308
Payroll Liabilities	11,658
Paycheck Protection Program Loan	98,900
Deferred revenue	<u>25,000</u>

TOTAL LIABILITIES	<u>171,866</u>
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NET ASSETS

Without Donor Restrictions	
Undesignated	1,353,238
With Donor Restrictions	<u>616,367</u>

TOTAL NET ASSETS	<u>1,969,605</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,141,471</u></u>
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See accompanying notes to financial statements

COLUMBIA URBAN LEAGUE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 383,508	\$ 179,117	\$ 562,625
Grants and Contracts	31,540	1,090,090	1,121,630
Special Events Revenue	322,519	41,856	364,375
Membership Dues	-	1,175	1,175
Interest Revenue	4	22	26
Investment Income, Net	-	39,856	39,856
Revenue Released From Restrictions	<u>1,032,217</u>	<u>(1,032,217)</u>	<u>-</u>
Total Revenue, Gains and Other Support	<u>\$ 1,769,788</u>	<u>\$ 319,899</u>	<u>\$ 2,089,687</u>
EXPENSES			
Program Services:			
Community Development	\$ 941,721	\$ -	\$ 941,721
Manpower	263,023	-	263,023
Scholarships	<u>23,383</u>	<u>-</u>	<u>23,383</u>
Total Program Services	<u>1,228,127</u>	<u>-</u>	<u>1,228,127</u>
Supporting Services:			
Management and General	62,664	-	62,664
Fundraising	<u>24,934</u>	<u>-</u>	<u>24,934</u>
Total Supporting Services	<u>87,598</u>	<u>-</u>	<u>87,598</u>
Total Expenses	<u>1,315,725</u>	<u>-</u>	<u>1,315,725</u>
CHANGE IN NET ASSETS	454,063	319,899	773,962
NET ASSETS, BEGINNING OF YEAR	<u>899,175</u>	<u>296,468</u>	<u>1,195,643</u>
NET ASSETS, END OF YEAR	<u>\$ 1,353,238</u>	<u>\$ 616,367</u>	<u>\$ 1,969,605</u>

See accompanying notes to financial statements

COLUMBIA URBAN LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services				Supporting Services		
	Community Development	Manpower	Scholarships	Program Services	Management and General	Fundraising	Total
Expenses							
Level Up Grant Sub-Recipients	\$ 45,241	\$ -	\$ -	\$ 45,241	\$ (8,185)	\$ -	\$ (8,185)
SC NAACP Sub-Recipients	172,624	-	-	172,624	-	-	-
Salaries	362,165	100,096	-	462,261	7,667	2,052	9,719
Payroll Taxes	24,394	3,061	-	27,455	12,779	39	12,818
Employee Benefits	12,873	10,378	-	23,251	2,948	247	3,195
Occupancy	300	-	-	300	600	-	600
Telephone	20,992	9,199	-	30,191	898	219	1,117
Utilities	5,360	4,329	-	9,689	(118)	103	(15)
Supplies	16,041	5,335	-	21,376	3,425	127	3,552
Rental and Maintenance of Equipment	17,041	13,764	-	30,805	1,706	328	2,034
Printing and Publications	7,596	310	-	7,906	166	6,358	6,524
Postage and Shipping	326	263	-	589	32	6	38
Travel	8,189	815	-	9,004	1,683	445	2,128
Professional Fees	59,058	45,721	-	104,779	4,519	3,583	8,102
Participant Support	66,870	25,512	-	92,382	(2,853)	-	(2,853)
Awards and Grants	69,978	16,791	20,000	106,769	50	10,905	10,955
Computer and Technology Expense	19,946	11,833	-	31,779	2,061	150	2,211
Insurance	9,731	7,860	-	17,591	457	187	644
Banking and Processing Fees	8,074	6,325	3,383	17,782	1,015	151	1,166
Dues and Subscriptions	14,849	1,372	-	16,221	1,850	33	1,883
Real Estate Taxes	47	38	-	85	6	-	6
Depreciation and Amortization	-	-	-	-	31,561	-	31,561
Interest Expense	26	21	-	47	397	1	398
Total Expenses	\$ 941,721	\$ 263,023	\$ 23,383	\$ 1,228,127	\$ 62,664	\$ 24,934	\$ 87,598
							\$ 1,315,725

See accompanying notes to financial statements

COLUMBIA URBAN LEAGUE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 773,962
Adjustments to Reconcile Change in Net assets to Net	
Cash Provided by Operating Activities:	
Depreciation Expense	31,561
Investment Income, Net	(39,856)
Investment Expense Paid From Investment Account	3,383
(Increase) Decrease in Assets:	
Accounts Receivable	(38,384)
Prepaid Expenses and Other Current Assets	9,520
Increase (Decrease) in Liabilities:	
Accounts Payable	22,845
Accrued Expenses	(26,263)
Deferred Revenue	25,000

NET CASH PROVIDED BY OPERATING ACTIVITIES

761,768

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in Paycheck Protection Program Loan

98,900

CASH PROVIDED BY FINANCING ACTIVITIES

98,900

NET INCREASE IN CASH AND CASH EQUIVALENTS

860,668

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

269,000

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 1,129,668

CASH PAID DURING THE YEAR FOR:

INTEREST EXPENSE

\$ 445

See accompanying notes to financial statements

COLUMBIA URBAN LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A - DESCRIPTION OF THE ORGANIZATION

Columbia Urban League, Inc. (the "League") is an autonomous eleemosynary organization founded in April 1967. The League was founded for the purpose of promoting, encouraging, assisting, and engaging in activities within the Greater Columbia, South Carolina area and other areas designated by the Board of Directors that are dedicated to the improvement of race relations and social economic conditions of the disadvantaged. The sources of revenue include federal, state and local grants, individual contributions, special events, and interest income. The League is affiliated with the National Urban League. As an affiliate of the National Urban League, the League shall meet the responsibilities as set forth in the National Urban League terms of affiliation.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation: The financial statements of the League have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the League to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the League's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the League or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations: The statement of activities reports all changes in net assets, including changes in net assets from operating activities. Operating activities consist of those items attributable to the League's ongoing services, and net investment income. Non-operating activities are limited to activities considered to be more unusual or nonrecurring in nature.

Cash and Cash Equivalents: The League considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Credit Risk: Financial instruments that potentially subject the League to concentrations of credit risk consist of cash and cash equivalents and investments. The League maintains its cash and cash equivalents in various banks that, at times, may exceed federally insured limits. The League's cash and cash equivalent amounts have been placed with high credit quality financial institutions. The League has not experienced, nor does it anticipate, any losses with respect to such amounts.

Accounts Receivable: Accounts receivable that are expected to be collected within one year are recorded at net realizable value.

Property and Equipment: The League follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Property and equipment is stated at cost, if purchased, and at fair value, if donated. Appraised value at December 31, 1979, was used to value those assets that have been donated over the years or for which adequate records had not been maintained. A substantial amount of equipment used in operations was obtained through federal grants. Ownership of such equipment remains with the granting agency. Depreciation is recorded in the accounting records using the straight-line method (buildings) and double declining balance (equipment) over the estimated useful lives of the asset. The estimated useful lives used in determining depreciation are as follows:

Building	15 to 31.5 years
Equipment	3 to 10 years

The League's management periodically evaluates whether events or circumstances have occurred indicating that the carrying value of long lived assets may not be recovered.

Investments: Investments are reported at cost, if purchased, or at fair market value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as investment return in the statements of activities.

The League's investments are held by the Central Carolina Community Foundation. The Foundation, a public, non-profit corporation, maintains endowments to be used to benefit the people of central South Carolina. The Foundation invests in investments broadly diversified by investment style, asset class, market capitalization, and management type. Investments held by the Foundation are expected to produce rates of return that are comparable to the pertinent benchmark indices for short term, long term, fixed income, real estate, or alternative investments. Interest and dividends, realized gains and losses, unrealized gains and losses, and investment expense are reported by the Foundation to the League monthly.

Fair Value Measurements: Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (non-observable inputs). The League groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability;
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Contributions: 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-imposed 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 contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Functional Expenses: The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Under the League's cost allocation plan, most costs are treated as direct costs and charged directly to grants and contracts based on actual cost or predetermined rates per unit of usage. Usage logs are maintained to facilitate allocation of these charges. In-kind match and indirect costs charged to grants and contracts consist of a percentage of the League's administrative personnel costs. The costs are computed as time spent on record keeping and oversight of those grants and contracts along with certain other costs incurred in support of those grants and contracts that are not budgeted line items.

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

Income Taxes: The League is exempt from federal income tax under IRS Code Section 501(c)(3) and, therefore, has no provision for federal income taxes. The League has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The League has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements: In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The League adopted the new standard effective January 1, 2020, the first day of the League's fiscal year, utilizing the full retrospective method.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities* (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU No. 2018-08 improves the current guidance on determining whether transactions are contributions or exchange transactions. ASU No. 2018-08 also requires determining if a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The League adopted the new standard effective January 1, 2020, the first day of the League's fiscal year, utilizing the modified prospective adoption.

NOTE C – AVAILABILITY AND LIQUIDITY

The following represents the League's financial assets at December 31, 2020:

Financial assets at year end:

Cash and cash equivalents	\$ 1,129,668
Accounts Receivable	310,061
Investments	<u>347,566</u>

Total financial assets	1,787,295
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Less amounts not available to be used within one year:

Net assets with donor restrictions	<u>616,367</u>
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Financial assets available to meet general expenditures over the next twelve months

\$ 1,170,928

The League manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the League are expected to be met on a monthly basis from the grant proceeds collected and cash and cash equivalents maintained by the League. In general, the League maintains sufficient financial assets on hand to meet at least 30 days' worth of normal operating expenses.

NOTE D – INVESTMENTS

Investments are valued at fair value as quoted by the Central Carolina Community Foundation as of December 31, 2020, with realized gains and losses included in the statement of activities. Investment activity for the investments held in trust by the Central Carolina Community Foundation at year end consist of the following:

NOTE D – INVESTMENTS (Continued)

Balance at beginning of year	\$ 311,093
Interest and dividends	12,187
Realized gains	3,656
Unrealized gains	24,013
Investment expense	<u>(3,383)</u>
Balance at end of year	<u>\$ 347,566</u>

As of December 31, 2020, all investments were considered Level 2 investments, with the other observable input being the quoted value determined by the Central Carolina Community Foundation.

Investments income and expense is summarized as follows:

Dividend and interest income	\$ 12,187
Realized gains	3,656
Unrealized gains	<u>24,013</u>
Investment income, net	<u>\$ 39,856</u>

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of financial position.

NOTE E – ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2020 include amounts earned, and recorded in the statement of activities as appropriate, but not yet received from grantors and contributors are as follows:

Level Up – SC Department of Social Services	\$ 258,218
NUL Apprenticeship Program – National	
Urban League	47,843
Fact Forward – Department of Health and Human Services	<u>4,000</u>
Total Grants and Contributions Receivable	<u>\$ 310,061</u>

An allowance for uncollectible accounts has not been recorded as all grants and contributions receivable are expected to be collected.

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2020:

NOTE F - PROPERTY AND EQUIPMENT (Continued)

Buildings	\$ 631,794
Land	25,000
Furniture and Equipment	119,615
Vehicles	<u>39,650</u>
	816,059
Less: Accumulated Depreciation	<u>(466,111)</u>
Property and Equipment, Net	<u>\$ 349,948</u>

Depreciation expense was \$31,561 for the year ending December 31, 2020.

NOTE G – DEFERRED REVENUES

Deferred revenues as of December 31, 2020 include amounts received from grantors and contributors, but not yet earned and therefore not yet recorded in the statement of activities:

Urban Apprenticeship Program – Pepsico Foundation	<u>\$ 25,000</u>
Total Deferred Revenues	<u>\$ 25,000</u>

NOTE H – LEASE COMMITMENTS

The League had several non-cancelable operating leases for various forms of equipment during the year. These leases generally contain renewal options for periods ranging from three to ten years and require the League to pay all executory costs such as taxes, maintenance and insurance. The leases expiration dates are in June 2021. Equipment rental expense for those leases plus other monthly and quarterly equipment rentals totaled \$8,287 for the year ended December 31, 2020. Future minimum lease payments are as follows for the years ending December 31:

2021	<u>3,265</u>
Total Future Minimum Lease Payments	<u>\$ 3,265</u>

NOTE I - COLUMBIA URBAN LEAGUE GUILD

The League serves as custodian of Columbia Urban League Guild's (the "Guild") funds. During the year ended December 31, 2020, the Guild received \$1,475 in receipts and incurred no expenses.

NOTE J – CUSTODIAL CREDIT RISKS

The League maintains deposits at financial institutions, which at times may exceed federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2020, deposits at First Citizens Bank exceeded the FDIC insured limit by \$687,836. The remaining deposits are held in different financial institutions and are insured by the FDIC up to the maximum of \$250,000 at each institution. The League has not experienced, nor does it anticipate, any losses with respect to such amounts.

NOTE K - CONTINGENCIES

The League participates in a number of state and federally assisted programs. These programs are subject to program compliance audits by the State of South Carolina or the Federal Government and their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time although the League expects such amounts, if any, to be immaterial. Generally, the tax returns for 2018, 2019, and 2020 tax years remain subject to examination by major tax jurisdictions.

NOTE L - RELATED PARTY TRANSACTIONS

The League is an affiliated organization of the National Urban League. During the year ended December 31, 2020, the League paid \$350 in organization dues and \$0 in other registration fees to the National Urban League. The League also received \$107,523 in various grant revenues from the National Urban League.

NOTE M – NET ASSETS

Net assets **with** donor restrictions were as follows for the year ended December 31, 2020:

Specific Purpose	
Community Service	\$ (81,586)
Manpower	232,376
Scholarships	360,700
Gateway Center Building	99,677
Urban League Foundation	<u>5,200</u>
Total	<u>\$ 616,367</u>

Net assets **without** donor restrictions for the year ended December 31, 2020 are as follows:

Undesignated	\$ 1,353,238
Board Designated	<u>-</u>
Total	<u>\$ 1,353,238</u>

Net assets released from net assets with donor restrictions are as follows:

Satisfaction of Purpose Restrictions	
Community Development	\$ 764,155
Manpower	244,256
Scholarships	23,483
Gateway Center Building	<u>323</u>
Total	<u>\$ 1,032,217</u>

In 1994 the League received a \$100,000 contribution from Mr. John A. Marshall to establish the WWDM Brenda Jones Scholarship Endowment Fund for African American Youths. An additional \$28,051 has been contributed to the Scholarship Endowment fund after its establishment. The investment earnings on the contributions with donor restrictions that will not expire may be awarded to an eligible outstanding and deserving high school senior. The WWDM Scholarship is a non-renewable scholarship in the amount of \$5,000. The WWDM Brenda Jones Scholarship is paid directly to the designated four-year college for \$2,500 during the fall and/or spring semesters. Accumulated contributions with donor restrictions that will not expire were \$128,051 at December

NOTE M – NET ASSETS (Continued)

31, 2020, and accumulated earnings, restricted for scholarships under this endowment were \$77,614. Cumulative contributions and earnings with donor restrictions specific to the WWDM Brenda Jones Scholarship Endowment Fund were \$205,665 at December 31, 2020.

During 2011, the League received a \$100,000 contribution from Blue Cross Blue Shield to establish a scholarship fund for participants in the Summer Work Experience Leadership Program (SWELP). The investment earnings on the contributions with donor restrictions that will not expire may be awarded to an eligible and deserving individual. The scholarships will be paid directly to the designated college in the amount of \$5,000. Accumulated contributions with donor restrictions that will not expire were \$100,000 at December 31, 2020, and accumulated earnings, restricted for scholarships under this endowment were \$46,781. Cumulative contributions and earnings with donor restrictions specific to the Blue Cross Blue Shield Scholarship Fund were \$146,781 at December 31, 2020.

In 1997, First Citizens Bank donated \$5,200 to the League to establish an Urban League Foundation. The Urban League Foundation has not been established as of December 31, 2020.

NOTE N - PENSION PLAN

The League maintains a defined contribution pension plan covering all employees with one or more years of service. The funding rate is subject to periodic amendment by the League's Board of Directors. The rate in effect for 2020 was 0% of eligible wages for employees with less than 25-years of employment and 0% of eligible wages for employees with 25-years or more of employment. Pension expense for the year ending December 31, 2020 was \$0.

NOTE O – PAYCHECK PROTECTION PROGRAM

In April of 2020, the Company obtained a loan under the provisions of the Paycheck Protection Program (PPP), through a commercial financial institution. The PPP was created under the provisions of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), signed into law by President Trump on March 27, 2020. The program is administered by the United States Small Business Administration and the Company qualified for a loan amount of \$98,900, which was funded on April 29, 2020. The proceeds of this loan enabled the Company to retain its employees and pay critical expenses during the 24-week period ending October 17, 2020. Provisions of the loan program call for a portion of the loan to be forgiven, based on the amount of certain qualifying expenses incurred during the 24-week period ending October 17, 2020. On August 25, 2021, \$98,000 of the PPP loan balance was forgiven by the Small Business Administration.

NOTE P – COVID-19 PANDEMIC

The COVID-19 pandemic developed rapidly in 2020. Measures taken by various governments to contain the virus, such as social distancing, mask mandates and gathering capacity limits, have affected the League's special events, such as the annual end of the year dinner which aids in approximately 15% of the League's total revenues.

NOTE Q – SUBSEQUENT EVENTS

The League has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

COLUMBIA URBAN LEAGUE, INC.
SCHEDULE OF REVENUE AND EXPENSES - COMMUNITY DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

DESCRIPTION	LEVEL UP	ARCC	HELP OUR PEOPLE FUND	CHRISTMAS GIVING	SC TEENAGE PREGNANCY /FACT FORWARD	CUL YOUNG PROFESSIONALS	CUL GUILD	ANNUAL YOUNG GIFTED PROGRAM	MLK LEGACY BREAKFAST
Revenue									
Pledges and Contributions - Unrestricted									
Contributions	\$ 4,200	\$ -	\$ -	\$ -	\$ -	\$ 2,870	\$ 300	\$ -	\$ -
Grants and Contracts	409,819	10,000	-	-	10,000	595	-	-	-
Special Events Revenue	-	-	-	8,850	-	-	-	12,500	20,456
Membership Dues	-	-	-	-	-	-	1,175	-	-
Total Revenue	414,019	10,000	-	8,850	10,000	3,465	1,475	12,500	20,456
Expenses									
Level-Up Sub Recipients	45,241	-	-	-	-	-	-	-	-
SC NAACP Sub Recipients	-	-	-	-	-	-	-	-	-
Payroll Expense	295,245	-	-	6,156	6,156	-	-	6,156	6,156
Payroll Taxes	22,849	-	-	116	117	-	-	117	117
Employee Benefits	5,214	-	-	742	741	-	-	741	741
Occupancy	300	-	-	-	-	-	-	-	-
Telephone	14,202	-	-	657	658	-	-	657	657
Utilities	2,165	-	-	309	309	-	-	310	309
Supplies	3,117	-	-	7,976	381	-	-	381	382
Rental and Maintenance of Equipment	6,882	-	-	983	983	-	-	983	983
Printing and Publication	227	-	-	451	12	-	-	6,022	358
Postage and Shipping	132	-	-	19	18	-	-	18	19
Travel	7,588	-	-	58	58	-	-	58	58
Professional Fees	22,963	-	-	3,391	3,266	200	-	3,561	3,626
Participant Support	66,870	-	-	-	-	-	-	-	-
Awards and Grants	18,205	7,850	650	2,749	315	1,100	-	2,423	14,329
Computer and Technology Expense	15,310	-	-	449	448	-	-	449	449
Insurance	3,930	-	-	561	561	-	-	561	561
Banking and Processing Fees	3,163	-	-	452	452	25	-	669	451
Dues and Subscriptions	13,486	-	-	98	98	350	-	98	98
Real Estate Taxes	19	-	-	3	3	-	-	3	3
Interest Expense	11	-	-	2	2	-	-	2	2
Total Expenses	547,119	7,850	650	25,172	14,578	1,675	-	23,209	29,299
Change In Net Assets	(133,100)	2,150	(650)	(16,322)	(4,578)	1,790	1,475	(10,709)	(8,843)
Reclassification from Without Donor Restrictions	133,100	28,643	520	16,322	-	-	-	10,709	8,843
Net Assets with Donor Restrictions - Beginning	-	(20,793)	130	-	(1,838)	2,286	42	-	-
Net Assets with Donor Restrictions - Ending	-	10,000	-	-	(6,416)	4,076	1,517	-	-
Revenue Released From Donor Restrictions	\$ 414,019	\$(20,793)	\$ 130	\$ 8,850	\$ 14,578	\$ 1,675	\$ -	\$ 12,500	\$ 20,456

See Independent Auditors' Report on Supplementary Information

COLUMBIA URBAN LEAGUE, INC.
SCHEDULE OF REVENUE AND EXPENSES - COMMUNITY DEVELOPMENT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

DESCRIPTION	NCCC NUL PROJECT READY MENTOR	NUL ACA	NUL EEP	NUL APPRENTICESHIP PROGRAM	CUL DISASTER RELIEF FUND	SC NAACP COVID RELIEF	CODING FOR CLOUT	TOTAL COMMUNITY DEVELOPMENT COSTS
Revenue								
Pledges and Contributions - Unrestricted								
Contributions	\$ 5,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 22,990
Grants and Contracts	25,680	-	7,500	54,568	-	174,428	-	692,590
Special Events Revenue	50	-	-	-	-	-	-	41,856
Membership Dues	-	-	-	-	-	-	-	1,175
Total Revenue	31,350	-	7,500	54,568	-	174,428	10,000	758,611
Expenses								
Level-Up Sub Recipients	-	-	-	-	-	-	-	45,241
SC NAACP Sub Recipients	-	-	-	-	-	172,624	-	172,624
Payroll Expense	3,307	6,156	16,417	10,260	-	-	6,156	362,165
Payroll Taxes	340	116	311	194	-	-	117	24,394
Employee Benefits	-	741	1,977	1,235	-	-	741	12,873
Occupancy	-	-	-	-	-	-	-	300
Telephone	-	657	1,752	1,095	-	-	657	20,992
Utilities	-	309	825	515	-	-	309	5,360
Supplies	1,391	381	1,016	635	-	-	381	16,041
Rental and Maintenance of Equipment	-	983	2,622	1,639	-	-	983	17,041
Printing and Publication	450	12	32	20	-	-	12	7,596
Postage and Shipping	-	19	50	32	-	-	19	326
Travel	-	59	155	97	-	-	58	8,189
Professional Fees	867	3,266	9,209	5,443	-	-	3,266	59,058
Participant Support	-	-	-	-	-	-	-	66,870
Awards and Grants	21,122	195	520	325	-	-	195	69,978
Computer and Technology Expense	-	449	1,195	748	-	-	449	19,946
Insurance	-	562	1,498	936	-	-	561	9,731
Banking and Processing Fees	-	452	1,205	753	-	-	452	8,074
Dues and Subscriptions	-	98	261	164	-	-	98	14,849
Real Estate Taxes	-	2	7	4	-	-	3	47
Interest Expense	-	1	3	2	-	-	1	26
Total Expenses	27,477	14,458	39,055	24,097	-	172,624	14,458	941,721
Change In Net Assets	3,873	(14,458)	(31,555)	30,471	-	1,804	(4,458)	(183,110)
Reclassification from Without Donor Restrictions	-	-	-	(18,767)	-	(1,804)	-	177,566
Net Assets with Donor Restrictions - Beginning	(20,002)	(31,647)	2,135	(11,704)	5,349	-	-	(76,042)
Net Assets with Donor Restrictions - Ending	(16,129)	(46,105)	(29,420)	-	5,349	-	(4,458)	(81,586)
Revenue Released From Donor Restrictions	\$ 27,477	\$ 14,458	\$ 39,055	\$ 42,864	\$ -	\$ 174,428	\$ 14,458	\$ 764,155

See Independent Auditors' Report on Supplementary Information

COLUMBIA URBAN LEAGUE, INC.
SCHEDULE OF REVENUE AND EXPENSES - MANPOWER
FOR THE YEAR ENDED DECEMBER 31, 2020

DESCRIPTION	STEP/SWELP	CUL APPRENTICESHIP PROGRAM	TOTAL MANPOWER COSTS
Revenue			
Pledges and Contributions - Unrestricted			
Contributions	\$ 44,027	\$ -	\$ 44,027
Grants and Contracts	127,500	270,000	397,500
Total Revenue	171,527	270,000	441,527
Expenses			
Payroll Expense	56,553	43,543	100,096
Payroll Taxes	2,199	862	3,061
Employee Benefits	5,189	5,189	10,378
Telephone	4,600	4,599	9,199
Utilities	2,165	2,164	4,329
Supplies	2,668	2,667	5,335
Rental and Maintenance of Equipment	6,882	6,882	13,764
Printing and Publication	226	84	310
Postage and Shipping	131	132	263
Travel	408	407	815
Professional Fees	22,861	22,860	45,721
Participant Support	25,512	-	25,512
Awards and Grants	4,962	11,829	16,791
Computer and Technology Expense	8,692	3,141	11,833
Insurance	3,930	3,930	7,860
Banking and Processing Fees	3,162	3,163	6,325
Dues and Subscriptions	686	686	1,372
Real Estate Taxes	19	19	38
Interest Expense	10	11	21
Total Expenses	150,855	112,168	263,023
Change in Net Assets	20,672	157,832	178,504
Reclassification from Without Donor Restrictions	-	18,767	18,767
Net Assets with Donor Restrictions - Beginning	35,105	-	35,105
Net Assets with Donor Restrictions - Ending	55,777	176,599	232,376
Revenue Released From Donor Restrictions	\$ 150,855	\$ 93,401	\$ 244,256

See Independent Auditors' Report on Supplementary Information

COLUMBIA URBAN LEAGUE, INC.
SCHEDULE OF REVENUE AND EXPENSES - SCHOLARSHIPS
FOR THE YEAR ENDED DECEMBER 31, 2020

DESCRIPTION	GENERAL SCHOLARSHIP FUND	BLUE CROSS BLUE SHIELD SCHOLARSHIP FUND	WVDM BRENDA JONES SCHOLARSHIP FUND	WAYNE SUMP SCHOLARSHIP FUND	FUTURE LEADER SCHOLARSHIP FUND	HURLEY SCHOLARSHIP FUND	SCHOLARSHIPS TOTAL
Revenue							
Pledges and Contributions - Unrestricted							
Contributions	\$ -	\$ -	\$ -	3,100	9,000	\$ -	\$ 12,100
Restricted Investment Income	-	17,477	22,379	-	-	-	39,856
Restricted Interest Revenue	8	-	14	-	-	-	22
Total Revenue	8	17,477	22,393	3,100	9,000	-	51,978
Expenses							
Awards and Grants	-	5,000	5,000	1,000	9,000	-	20,000
Banking and Processing Fees	-	1,483	1,900	-	-	-	3,383
Total Expenses	-	6,483	6,900	1,000	9,000	-	23,383
Change in Net Assets	8	10,994	15,493	2,100	-	-	28,595
Reclassification from Without Donor Restrictions	-	-	-	-	(100)	-	(100)
Net Assets with Donor Restrictions - Beginning	(2)	135,787	190,172	4,648	100	1,500	332,205
Net Assets with Donor Restrictions - Ending	6	146,781	205,665	6,748	-	1,500	360,700
Revenue Released From Donor Restrictions	\$ -	\$ 6,483	\$ 6,900	\$ 1,000	\$ 9,100	\$ -	\$ 23,483

COLUMBIA URBAN LEAGUE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	Contract End Date	Federal CFDA Number	Total Federal Expenditures	Amounts Remitted to Sub- Recipients
U.S. Department of Health and Human Services				
<i>Passed through S.C. Department of Social Services</i>				
Promoting Safe and Stable Families	9/30/2020	93.556	\$ 188,387	\$ 34,247
<i>Passed through S.C. Department of Social Services</i>				
Chafee Foster Care Independence Program	9/30/2020	93.674	133,963	
<i>Passed through S.C. Department of Social Services</i>				
Promoting Safe and Stable Families	6/30/2021	93.556	51,118	2,809
<i>Passed through S.C. Department of Social Services</i>				
Chafee Foster Care Independence Program	6/30/2021	93.674	36,351	
<i>Passed through S.C. Department of Social Services</i>				
Fact Forward	6/30/2020	93.297	<u>\$ 6,000</u>	<u></u>
			415,819	37,056
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 415,819</u></u>	<u><u>\$ 37,056</u></u>

See Independent Auditors' Report on Supplementary Information
See Accompanying Notes to Schedule of Expenditures of Federal Awards

COLUMBIA URBAN LEAGUE, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2020

A. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the League for the year ended December 31, 2020. The information in the Schedule is presented in accordance with the provisions of Title 2 U.S. *Code of Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

All federal awards received directly from the federal agencies, as well as those passed through other governmental agencies, are included in the Schedule. All of the League's federal awards were in the form of cash assistance for the year ended December 31, 2020.

B. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

C. INDIRECT COST RATE

The League did not elect to use the 10% de minimis cost rate.

COMPLIANCE

McGregor & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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C.L.T. Valentine, CPA
C.D. Radley, CPA

*Active Retired

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Columbia Urban League, Inc.
Columbia, South Carolina

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 Columbia Urban League, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related 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 November 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Columbia Urban League, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbia Urban League, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the League'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 League'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.

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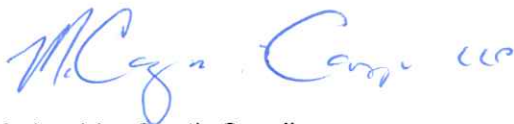
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbia Urban League, 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 League'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 League's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Columbia, South Carolina
November 2, 2021