

***NATIONAL URBAN FELLOWS, INC.***

***FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023***

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**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
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## INDEPENDENT AUDITORS' REPORT



To the Board of Directors of  
National Urban Fellows, Inc.  
New York, New York

### *Opinion*

We have audited the accompanying financial statements of National Urban Fellows, Inc. (hereinafter, the "Organization," a nonprofit corporation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Financial Condition*

As disclosed in Note 8 to the financial statements, the Organization experienced a significant decrease in net assets during the year ended December 31, 2024, and has had a recurring net deficit without donor restrictions and negative cash flows from operations. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 8. Our opinion is not modified with respect to this matter.

### *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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

### *Auditors' Responsibilities for the Audits 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 auditors' 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 GAAS 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 GAAS, 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 the Organization'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 the Organization'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*Corin & Associates LLP*

Bohemia, New York  
October 10, 2025

NATIONAL URBAN FELLOWS, INC.

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31,

2024                      2023

ASSETS		
<b>Current Assets:</b>		
Cash and cash equivalents.....	\$ 620,895	\$ 706,980
Contributions receivable.....	-	1,112,420
Prepaid expenses and other current assets.....	23,516	6,008
<b>TOTAL ASSETS</b>	<b>\$ 644,411</b>	<b>\$ 1,825,408</b>
LIABILITIES AND NET ASSETS		
<b>Current Liabilities:</b>		
Line of credit payable.....	\$ 99,884	\$ 99,921
Accounts payable and accrued expenses.....	343,368	327,167
<b>TOTAL LIABILITIES</b>	<b>443,252</b>	<b>427,088</b>
<b>Net (Deficit)/Assets:</b>		
Without donor restrictions.....	(686,557)	(137,594)
With donor restrictions.....	887,716	1,535,914
<b>TOTAL NET ASSETS</b>	<b>201,159</b>	<b>1,398,320</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 644,411</b>	<b>\$ 1,825,408</b>

**NATIONAL URBAN FELLOWS, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Mentor contributions.....	\$ -	\$ 1,078,470	\$ 1,078,470
Board contributions.....	86,804	-	86,804
Individual contributions.....	150,630	-	150,630
In-kind contributions.....	4,366	-	4,366
Foundation and trust grants.....	-	83,630	83,630
Corporate grants.....	-	197,180	197,180
Tuition scholarships.....	791,217	-	791,217
Other revenue.....	120,478	-	120,478
Net assets released from restrictions.....	2,007,478	(2,007,478)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>3,160,973</b>	<b>(648,198)</b>	<b>2,512,775</b>
<b>EXPENSES</b>			
Program services.....	2,767,325	-	2,767,325
Management and general.....	549,103	-	549,103
Fundraising.....	393,508	-	393,508
<b>TOTAL EXPENSES</b>	<b>3,709,936</b>	<b>-</b>	<b>3,709,936</b>
<b>CHANGE IN NET ASSETS</b>	<b>(548,963)</b>	<b>(648,198)</b>	<b>(1,197,161)</b>
Net (deficit)/assets, beginning of year.....	(137,594)	1,535,914	1,398,320
Net (deficit)/assets, end of year.....	\$ (686,557)	\$ 887,716	\$ 201,159

**NATIONAL URBAN FELLOWS, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Mentor contributions.....	\$ -	\$ 2,051,224	\$ 2,051,224
Board contributions.....	69,127	-	69,127
Individual contributions.....	60,568	-	60,568
In-kind contributions.....	1,163	-	1,163
Foundation and trust grants.....	193,000	135,000	328,000
Corporate grants.....	542,993	290,000	832,993
Tuition scholarships.....	978,020	-	978,020
Other revenue.....	16,066	-	16,066
Net assets released from restrictions.....	1,611,604	(1,611,604)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>3,472,541</b>	<b>864,620</b>	<b>4,337,161</b>
<b>EXPENSES</b>			
Program services.....	3,001,194	-	3,001,194
Management and general.....	567,209	-	567,209
Fundraising.....	327,177	-	327,177
<b>TOTAL EXPENSES</b>	<b>3,895,580</b>	<b>-</b>	<b>3,895,580</b>
<b>CHANGE IN NET ASSETS</b>	<b>(423,039)</b>	<b>864,620</b>	<b>441,581</b>
Net assets, beginning of year.....	285,445	671,294	956,739
Net (deficit)/assets, end of year.....	\$ (137,594)	\$ 1,535,914	\$ 1,398,320

**NATIONAL URBAN FELLOWS, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages.....	\$ 296,796	\$ 148,547	\$ 111,115	\$ 556,458
Payroll taxes and employee benefits.....	72,376	35,886	21,260	129,522
Fellowship expenses.....	2,213,568	-	-	2,213,568
Occupancy.....	-	15,476	-	15,476
Professional fees.....	147,286	263,414	254,857	665,557
Media and publications.....	9,936	35,781	2,493	48,210
Travel and meetings.....	26,181	17,010	3,506	46,697
Office expenses.....	247	5,067	159	5,473
Equipment.....	-	-	-	-
Miscellaneous.....	935	27,922	118	28,975
<b>TOTAL EXPENSES</b>	<b>\$ 2,767,325</b>	<b>\$ 549,103</b>	<b>\$ 393,508</b>	<b>\$ 3,709,936</b>

**NATIONAL URBAN FELLOWS, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages.....	\$ 266,149	\$ 167,478	\$ 152,308	\$ 585,935
Payroll taxes and employee benefits.....	62,108	45,292	35,138	142,538
Fellowship expenses.....	2,242,848	121	363	2,243,332
Occupancy.....	-	13,016	-	13,016
Professional fees.....	146,198	199,738	121,846	467,782
Media and publications.....	11,161	82,940	1,612	95,713
Travel and meetings.....	271,264	25,435	15,910	312,609
Office expenses.....	1,466	842	-	2,308
Equipment.....	-	3,414	-	3,414
Miscellaneous.....	-	28,933	-	28,933
<b>TOTAL EXPENSES</b>	<b>\$ 3,001,194</b>	<b>\$ 567,209</b>	<b>\$ 327,177</b>	<b>\$ 3,895,580</b>

**NATIONAL URBAN FELLOWS, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31,**

**2024**

**2023**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets.....	\$ (1,197,161)	\$ 441,581
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Changes in operating assets and liabilities:

Contributions receivable.....	1,112,420	(792,201)
Prepaid expenses and other current assets.....	(17,508)	7,281
Line of credit payable.....	(37)	-
Accounts payable and accrued expenses.....	16,201	168,108

<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(86,085)</b>	<b>(175,231)</b>
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<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(86,085)</b>	<b>(175,231)</b>
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Cash and cash equivalents, beginning of year.....	706,980	882,211
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Cash and cash equivalents, end of year.....	\$ 620,895	\$ 706,980
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**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

Cash paid for interest.....	\$ 12,151	\$ 10,930
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of National Urban Fellows, Inc. (the "Organization") is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Organization**

The Organization was formed during 1974 and organized under the Not-for-Profit Corporation Law of the State of New York. The Organization develops accomplished and courageous professionals of all ethnic and racial backgrounds, particularly people of color and women, to be leaders and change agents in the public and non-profit sectors, with a strong commitment to social justice and equity.

**Recent Accounting Pronouncement**

Effective for the year ended December 31, 2023, the Organization adopted Accounting Standards Codification ("ASC") 326, *Measurement of Credit Losses on Financial Instruments*, for all assets held at amortized cost basis. Under this accounting standard, the pronouncement required organizations to record an estimate of all expected future credit losses. The allowance for credit losses will be a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected.

**Income Tax Status**

The Organization qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, a public charity under section 170(b)(1)(A)(vi) and is publicly supported as described in section 509(a)(2). The Organization is also exempt from state, local, real estate, and utility taxes. The Organization evaluated for uncertain tax positions and has determined that there were no uncertain tax positions taken during the years ended December 31, 2024 and 2023. The Organization files an IRS Form 990 and respective state and local tax returns. These tax returns are subject to review and examination by federal, state, and local authorities. The Organization has determined that it has registered in all states where it is required to be registered.

**Basis of Accounting**

These financial statements are presented on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

**Basis of Presentation**

The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Basis of Presentation** *(continued)*

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations 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 Organization's management and board of directors.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations or other stipulations that may or will be met, either by action of the Organization and/or the passage of time. When a restriction expires, these net assets are reclassified annually to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor restrictions may be perpetual in nature, whereby donors may stipulate that the funds be maintained in perpetuity. The Organization had no donor restricted funds as of December 31, 2024 and 2023 that were to be maintained in perpetuity. All net assets with donor restrictions were held for specific purposes as of December 31, 2024 and 2023.

**Contributions and Grants**

Contributions and grants are derived principally from corporations, foundations, and contributions from individuals, mentors, fellows, alumni, and the Board of Directors. Contributions are recognized when received or unconditionally pledged. The Organization records contributions as with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Conditional contributions, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to the meeting of these conditions are reported as deferred in the statements of financial position. All contributions are considered available for use unless specifically restricted by the donors.

**In-Kind Contributions**

The Organization benefits from contributed materials attributable to special events and programs. Various noncash contributions are recorded at their estimated fair values at the dates of donation totaling \$4,366 and \$1,163 for the years ended December 31, 2024 and 2023, respectively. The fair value of donated materials is based on the price that would be paid had the materials been purchased.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**In-Kind Contributions** *(continued)*

The Organization also benefits from contributed tuition scholarships attributable to the Organization's programs. Donated tuition scholarships are recorded at their estimated fair values at the dates of donation based on tuition rates set for each semester. Tuition scholarships totaled \$791,217 and \$978,020 for the years ended December 31, 2024 and 2023, respectively, and are reported in the accompanying statements of activities as tuition scholarships and the accompanying statements of functional expenses as fellowship expenses.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments purchased with a maturity of three months or less at the time of acquisition to be cash equivalents.

**Contributions Receivable**

The Organization's contributions receivable are presented in the statements of financial position at net realizable value. Unless material, the Organization does not discount to present value grants and contributions to be received after more than one year. The allowance for uncollectable contributions receivable is typically determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable. There were no such allowances for doubtful contributions receivable as of December 31, 2024 and 2023.

**Functional Expenses**

The costs of providing program services have been summarized on a functional basis in the statements of activities and functional expenses. The Organization allocates its expenses on a functional basis among program services and supporting services. Expenses that can be identified specifically to program services or supporting activities are charged directly to the activity. Other expenses that are common to several functions are allocated among the program and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

The material expenses that are allocated, and their respective allocation methods, include the following:

- Salaries and wages - Time and effort of underlying staff
- Payroll taxes and employee benefits - Time and effort of underlying staff
- Professional fees - Time and purpose
- Fellowship expense - Time and purpose

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

**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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Events Occurring After Report Date**

The Organization has evaluated events and transactions that occurred between January 1, 2025 and October 10, 2025, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**NOTE 2 - LINE OF CREDIT**

The Organization has an outstanding line of credit in the amount of \$99,984 and \$99,921 for the years ended December 31, 2024 and 2023, respectively, with a maturity date of March 24, 2026. The Organization has made automatic interest payments since the initiation of the line of credit. The interest rate at December 31, 2024 and 2023 was 10.20% and 11.20%, respectively. Interest expense for the years ended December 31, 2024 and 2023 totaled \$12,151 and \$10,930, respectively, and are included as part of miscellaneous expenses in the accompanying statements of functional expenses.

**NOTE 3 - RELATED PARTY TRANSACTIONS**

For the year ended December 31, 2023, the Organization held a carry-over obligation of \$102,000 in a deferred compensation claim from a former employee. After ongoing review of the matter, as of December 31, 2024, the amount was written off by the Organization.

**NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets were restricted for the following purposes as of December 31,:

	<b>2024</b>	<b>2023</b>
National urban fellowship program..	\$ 551,446	\$ 1,160,914
Alumni engagement grants.....	336,270	375,000
Total.....	<u>\$ 887,716</u>	<u>\$ 1,535,914</u>

Net assets released from donor restrictions totaled \$2,007,478 and \$1,611,604 during the years ended December 31, 2024 and 2023, respectively. \$625,580 and \$150,000 was released from alumni engagement grants and \$1,381,898 and \$1,461,404 was released from national urban fellowship program for the years ended December 31, 2024 and 2023, respectively.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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**NOTE 5 - AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting use, within one year of the date of the statements of financial position, comprise the following:

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents.....	\$ 620,895	\$ 706,980
Contributions receivable.....	-	1,112,420
Total financial assets.....	620,895	1,819,400
Less: net assets with donor restrictions.....	(887,716)	(1,535,914)
Total financial assets available for expenditure.....	\$ (266,821)	\$ 283,486

The Organization’s goal in general is to maintain financial assets to meet ninety days of operating expenses (approximately \$719,000). See Note 8.

**NOTE 6 - CONCENTRATIONS OF RISK**

The Organization maintains cash in bank accounts with what it believes to be quality financial institutions which are insured by the Federal Deposit Insurance Corporation. The Organization has not incurred any losses in such accounts to date.

During the years ended December 31, 2024 and 2023, the Organization received approximately 51% and 73% of its total support and revenue from three and five funders, respectively.

As of December 31, 2023, approximately 85% of the Organization’s total contributions receivable was due from five funders.

**NOTE 7 - RETIREMENT PLAN**

In 2022, the Organization established a pooled employer 401(k) plan for full-time employees who are at least eighteen years of age. All full-time employees are eligible upon hire. The Organization may make a discretionary contribution equaling 1% of the employees' gross annual salaries for the previous year. Employees can make further contributions throughout the year with bi-monthly payroll deductions. The Organization did not make any contributions to the plan during the years ended December 31, 2024 and 2023 and had no outstanding obligations related to the 401(k) plan.

**NOTE 8 - FINANCIAL CONDITION**

The Organization experienced a significant decrease in net assets during the year ended December 31, 2024, recurring negative cash flows from operations, and a recurring net deficit without donor restrictions resulting from a decline in funding from donors and grantors.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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NOTE 8 - FINANCIAL CONDITION (continued)

During the year ended December 31, 2024, management implemented cost cutting measures which resulted in an overall decrease in expenses and actively sought new grants and funding opportunities.

Management has continued to implement these plans in 2025, including implementing staff furloughs and operational streamlining to preserve core program delivery while reducing overhead, and receiving a full tuition scholarship for the fellows class of 2026, representing a significant reduction in paid program cost. These efforts have stabilized the Organization's financial position and liquidity through the report date. Management is confident that these plans will continue to improve the Organization's liquidity and long-term sustainability.