

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

***FINANCIAL STATEMENTS AND  
INDEPENDENT ACCOUNTANTS' REVIEW REPORT***

***FOR THE FIVE MONTHS ENDED MAY 31, 2025***

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**FINANCIAL STATEMENTS AND  
INDEPENDENT ACCOUNTANTS' REVIEW REPORT  
FOR THE FIVE MONTHS ENDED MAY 31, 2025  
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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT



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

We have reviewed the accompanying financial statements of National Urban Fellows, Inc. (hereinafter, the "Organization"), which comprise the statement of financial position as of May 31, 2025, and the related statements of activities, functional expenses, and cash flows for the five months then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### *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.

### *Accountants' Responsibility*

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### *Accountants' Conclusion*

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Cerini & Associates LLP*

Bohemia, New York  
April 6, 2026

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NATIONAL URBAN FELLOWS, INC.

STATEMENT OF FINANCIAL POSITION  
AS OF MAY 31, 2025

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ASSETS

**Current Assets:**

Cash and cash equivalents.....	\$	398,474
Contributions receivable.....		244,270
Prepaid expenses and other current assets.....		<u>4,329</u>

**TOTAL ASSETS** \$ 647,073

LIABILITIES AND NET ASSETS

**Current Liabilities:**

Line of credit payable.....	\$	99,884
Accounts payable and accrued expenses.....		<u>227,876</u>

**TOTAL LIABILITIES** 327,760

**Net (Deficit)/Assets:**

Without donor restrictions.....		(614,568)
With donor restrictions.....		<u>933,881</u>

**TOTAL NET ASSETS** 319,313

**TOTAL LIABILITIES AND NET ASSETS** \$ 647,073

**NATIONAL URBAN FELLOWS, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE FIVE MONTHS ENDED MAY 31, 2025**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Mentor contributions.....	\$ -	\$ 326,864	\$ 326,864
Board contributions.....	12,367	-	12,367
Individual contributions.....	21,820	-	21,820
Foundation and trust grants.....	-	501,808	501,808
Tuition scholarships.....	126,234	-	126,234
Other revenue.....	7,917	-	7,917
Net assets released from restrictions.....	782,507	(782,507)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>950,845</b>	<b>46,165</b>	<b>997,010</b>
<b>EXPENSES</b>			
Program services.....	563,595	-	563,595
Management and general.....	237,855	-	237,855
Fundraising.....	77,406	-	77,406
<b>TOTAL EXPENSES</b>	<b>878,856</b>	<b>-</b>	<b>878,856</b>
<b>CHANGE IN NET ASSETS</b>	<b>71,989</b>	<b>46,165</b>	<b>118,154</b>
Net (deficit)/assets, beginning of year.....	(686,557)	887,716	201,159
Net (deficit)/assets, end of year.....	\$ (614,568)	\$ 933,881	\$ 319,313

**NATIONAL URBAN FELLOWS, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE FIVE MONTHS ENDED MAY 31, 2025**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages.....	\$ 99,174	\$ 89,987	\$ 15,973	\$ 205,134
Payroll taxes and employee benefits.....	10,790	31,669	1,454	43,913
Fellowship expenses.....	430,172	-	-	430,172
Occupancy.....	-	7,445	-	7,445
Professional fees.....	19,323	88,441	51,567	159,331
Media and publications.....	697	10,745	5,555	16,997
Travel and meetings.....	3,173	3,717	2,782	9,672
Office expenses.....	37	203	10	250
Miscellaneous.....	229	5,648	65	5,942
<b>TOTAL EXPENSES</b>	<b>\$ 563,595</b>	<b>\$ 237,855</b>	<b>\$ 77,406</b>	<b>\$ 878,856</b>

**NATIONAL URBAN FELLOWS, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE FIVE MONTHS ENDED MAY 31, 2025**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets..... \$ 118,154

Changes in operating assets and liabilities:

Contributions receivable..... (244,270)  
Prepaid expenses and other current assets..... 19,187  
Accounts payable and accrued expenses..... (115,492)

**NET CASH USED IN OPERATING ACTIVITIES** (222,421)

**NET CHANGE IN CASH AND CASH EQUIVALENTS** (222,421)

Cash and cash equivalents, beginning of year..... 620,895

Cash and cash equivalents, end of year..... \$ 398,474

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

Cash paid for interest..... \$ 3,396

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FIVE MONTHS ENDED MAY 31, 2025**

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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.

During 2025, the Organization changed its fiscal year end from December 31 to May 31.

**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 five months ended May 31, 2025. 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:

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.

NOTES TO FINANCIAL STATEMENTS  
FOR THE FIVE MONTHS ENDED MAY 31, 2025

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

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

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 statement 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 May 31, 2025 that were to be maintained in perpetuity.

**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 statement 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 revenue in the statement of financial position. All contributions are considered available for use unless specifically restricted by the donors.

**In-Kind Contributions**

The Organization 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 \$126,234 for the five months ended May 31, 2025, and are reported in the accompanying statement of activities as tuition scholarships and the accompanying statement 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.

NOTES TO FINANCIAL STATEMENTS  
FOR THE FIVE MONTHS ENDED MAY 31, 2025

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

**Contributions Receivable**

The Organization's contributions receivable are presented in the statement 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 May 31, 2025.

**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

**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 June 1, 2025 and April 6, 2026, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FIVE MONTHS ENDED MAY 31, 2025**

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**NOTE 2 - LINE OF CREDIT**

The Organization has an outstanding line of credit in the amount of \$99,984, 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 May 31, 2025 was 10.20%. Interest expense for the five months ended May 31, 2025 totaled \$3,396 and is included as part of miscellaneous expenses in the accompanying statement of functional expenses. As of the report date, the Organization has not received a renewal notice for the line of credit.

**NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets were restricted for the following purposes as of May 31, 2025:

National urban fellowship program..	\$	706,979
Building organizational capacity.....		175,000
Time restriction.....		51,902
Total.....	\$	933,881

Net assets released from donor restrictions totaled \$782,507 during the period ended May 31, 2025. \$143,281 was released from alumni engagement grants, \$51,902 was released relating to time restrictions, and \$587,324 was released from national urban fellowship program for the period ended May 31, 2025.

**NOTE 4 - AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditure, that is, without donor restrictions limiting use, within one year of the date of the statement of financial position, comprise the following at May 31, 2025:

Cash and cash equivalents.....	\$	398,474
Contributions receivable.....		244,270
Total financial assets.....		642,744
Less: net assets with donor restrictions (purpose restricted)...		(881,979)
Total financial assets available for general expenditure.....	\$	(239,235)

The Organization's goal in general is to maintain financial assets to meet ninety days of operating expenses (approximately \$186,000). Subsequent to the five months ended May 31, 2025, the Organization received an unrestricted two million dollar grant, which will provide financial assets available for general expenditure and eliminate the Organization's negative financial asset position shown above.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FIVE MONTHS ENDED MAY 31, 2025**

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**NOTE 5 - 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 five months ended May 31, 2025, the Organization received approximately 96% of its total support and revenue from six funders.

As of May 31, 2025, 100% of the Organization's total contributions receivable was due from two funders.

**NOTE 6 - 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 five months ended May 31, 2025 and had no outstanding obligations related to the 401(k) plan.

**NOTE 7 - SUBSEQUENT EVENT**

On August 28, 2025, the Organization entered into a short-term cash flow loan agreement with the Fund for the City of New York, Inc. ("FCNY") to support operating expenses related to fellow programming. Under the agreement, FCNY provided a bridge loan in the principal amount of \$50,000, subject to a 2% service charge withheld at disbursement. The loan was repayable upon receipt of anticipated funding from a private foundation, or no later than November 30, 2025, whichever occurred first, and was evidenced by a demand promissory note.

In December 2025, the Organization repaid the loan in full, including all applicable fees. There were no amounts outstanding under the agreement as of the date of issuance of these financial statements.