



**Urban League of
Eastern Massachusetts**

Financial Statements and Auditors' Report

June 30, 2010

with Comparative Totals for 2009



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Daniel Dennis & Company LLP

Certified Public Accountants

To the Board of Directors of
URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.

Independent Auditors' Report

We have audited the accompanying statement of financial position of Urban League of Eastern Massachusetts, Inc. (ULEM) as of June 30, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of ULEM's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from ULEM's 2009 financial statements and, in our report dated January 28, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ULEM's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of Urban League of Eastern Massachusetts, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of program expenses on page 16 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



January 26, 2011



Urban League of
Eastern Massachusetts

Statement of Financial Position
June 30, 2010 with Comparative Totals for 2009

	2010	2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 569,243	\$ 313,266
Cash restricted for Mature Workers program	6,046	41,381
Accounts receivable	74,275	39,914
Unconditional promises to give for operations	183,214	140,581
Employee receivable	12,378	14,349
Prepaid expense	51,878	45,429
Total current assets	<u>897,034</u>	<u>594,920</u>
NON-CURRENT ASSETS:		
Cash restricted for permanently restricted endowment	473,303	473,303
Cash restricted for purchase of property and equipment	30,851	41,627
Unconditional promises to give for operations	153,223	-
Unconditional promises to give restricted to purchase of property and equipment	-	57,596
Total non-current assets	<u>657,377</u>	<u>572,526</u>
PROPERTY AND EQUIPMENT - net	<u>967,106</u>	<u>916,934</u>
Total assets	<u>\$ 2,521,517</u>	<u>\$ 2,084,380</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 141,726	\$ 103,628
Refundable advances	45,826	39,780
Accrued expenses	82,810	66,690
Deferred revenue	60,650	58,638
Due to National Urban League	150,000	-
Lines of credit obligation	155,000	200,000
Capital lease obligation - current portion	6,541	12,729
Loans payable - current portion	24,276	-
Mortgage payable - current portion	23,634	21,987
Total current liabilities	<u>690,463</u>	<u>503,452</u>
LONG-TERM LIABILITIES:		
Capital lease obligation	-	6,541
Loan payable	80,725	-
Mortgage payable	322,823	346,457
Total long-term debt	<u>403,548</u>	<u>352,998</u>
Total liabilities	<u>1,094,011</u>	<u>856,450</u>
NET ASSETS:		
Unrestricted		
Board designated contingency reserve	148,674	148,561
Undesignated	181,853	237,656
Total unrestricted net assets	<u>330,527</u>	<u>386,217</u>
Temporarily restricted	623,676	368,410
Permanently restricted	473,303	473,303
Total net assets	<u>1,427,506</u>	<u>1,227,930</u>
Total liabilities and net assets	<u>\$ 2,521,517</u>	<u>\$ 2,084,380</u>

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Changing Lives.**

See accompanying notes to financial statements.



Urban League of
Eastern Massachusetts

Statement of Activities
For the Year Ended June 30, 2010 with Summarized Comparative Totals for 2009

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	2010 TOTAL	2009 TOTAL
REVENUE AND SUPPORT:					
United Way	\$ 64,940	\$ -	\$ -	\$ 64,940	\$ 149,808
Grants and contributions	1,969,000	755,012	-	2,724,012	2,066,854
Membership dues	35,482	-	-	35,482	58,383
Special events	496,376	-	-	496,376	561,446
Less: costs of direct benefits to donors	(118,473)	-	-	(118,473)	(138,174)
Less: other direct event costs	(80,574)	-	-	(80,574)	(58,821)
Net revenue from special events	<u>297,329</u>	<u>-</u>	<u>-</u>	<u>297,329</u>	<u>364,451</u>
Other income	17,994	-	-	17,994	36,368
Interest income	113	8,390	-	8,503	14,699
Net assets released from restrictions	<u>508,136</u>	<u>(508,136)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>2,892,994</u>	<u>255,266</u>	<u>-</u>	<u>3,148,260</u>	<u>2,690,563</u>
EXPENSES:					
Program services	2,361,453	-	-	2,361,453	2,077,816
Management and general	419,445	-	-	419,445	556,983
Fundraising	<u>167,786</u>	<u>-</u>	<u>-</u>	<u>167,786</u>	<u>231,230</u>
Total expenses	<u>2,948,684</u>	<u>-</u>	<u>-</u>	<u>2,948,684</u>	<u>2,866,029</u>
Change in net assets	(55,690)	255,266	-	199,576	(175,466)
Net assets, beginning of year	<u>386,217</u>	<u>368,410</u>	<u>473,303</u>	<u>1,227,930</u>	<u>1,403,396</u>
Net assets, end of year	<u>\$ 330,527</u>	<u>\$ 623,676</u>	<u>\$ 473,303</u>	<u>\$ 1,427,506</u>	<u>\$ 1,227,930</u>

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See accompanying notes to financial statements.



Urban League of
Eastern Massachusetts

Statement of Functional Expenses
For the Year Ended June 30, 2010 with Summarized Comparative Totals for 2009

DESCRIPTION	MANAGEMENT AND			2010 TOTAL	2009 TOTAL
	PROGRAMS	GENERAL	FUND- RAISING		
Personnel	\$ 2,103,375	\$ 254,937	\$ 113,229	\$ 2,471,541	\$ 2,419,999
Consumable materials and supplies	44,243	1,646	10,459	56,348	20,861
Travel and transportation	1,753	3,770	267	5,790	2,745
Training, conferences, and meetings	1,267	9,785	1,428	12,480	8,968
Membership dues	6,668	2,792	1,667	11,127	11,339
Miscellaneous	-	11,971	2,150	14,121	17,843
Insurance	10,518	10,966	1,686	23,170	20,640
Direct assistance to clients	59,069	-	-	59,069	44,621
Facilities	76,223	45,786	27,973	149,982	163,968
Computer and equipment	6,343	1,891	390	8,624	5,549
Printing and reproduction	3,307	3,495	553	7,355	18,650
Communications	21,416	10,052	2,446	33,914	42,027
Administrative costs	<u>27,271</u>	<u>62,354</u>	<u>5,538</u>	<u>95,163</u>	<u>88,819</u>
Total expenses before administrative allocation	2,361,453	419,445	167,786	2,948,684	2,866,029
Administrative allocation	<u>328,365</u>	<u>(419,445)</u>	<u>91,080</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 2,689,818</u>	<u>\$ -</u>	<u>\$ 258,866</u>	<u>\$ 2,948,684</u>	<u>\$ 2,866,029</u>

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Urban League of
Eastern Massachusetts

Statement of Cash Flows
For the Year Ended June 30, 2010 with Comparative Totals for 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 199,576	\$ (175,466)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	86,051	80,150
Bad debt	8,500	7,750
Collections of contributions restricted to purchase of property and equipment	(57,596)	(163,404)
(Increase)/decrease in operating assets:		
Cash restricted for Mature Workers program	35,335	(41,381)
Accounts receivable/ promises to give	(181,121)	253,420
Employee receivable	1,971	(13,563)
Prepaid expenses	(6,449)	(23,236)
Increase/(decrease) in operating liabilities:		
Accounts payable	38,098	(69,079)
Accrued expenses	16,120	891
Refundable advances	6,046	39,780
Due to National Urban League	150,000	-
Deferred revenue	2,012	58,638
	<u>298,543</u>	<u>(45,500)</u>
Net cash provided by (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Use) purchase of assets restricted to investment in property and equipment	10,776	(41,627)
Payments for property and equipment	<u>(117,503)</u>	<u>(182,054)</u>
Net cash used in investing activities	<u>(106,727)</u>	<u>(223,681)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Collections of contributions restricted to purchase of property and equipment	57,596	163,404
Proceeds from loans/ lines of credit	86,281	25,000
Principal payments on lines of credit	(45,000)	(100,000)
Principal payments on capital lease obligation	(12,729)	(12,277)
Principal payments on mortgage	<u>(21,987)</u>	<u>(20,454)</u>
Net cash provided by financing activities	<u>64,161</u>	<u>55,673</u>
Net increase (decrease) in cash and cash equivalents	<u>255,977</u>	<u>(213,508)</u>
Cash and cash equivalents, beginning of year	<u>313,266</u>	<u>526,774</u>
Cash and cash equivalents, end of year	<u><u>\$ 569,243</u></u>	<u><u>\$ 313,266</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 40,263</u>	<u>\$ 53,961</u>
Noncash investing/ financing activity:		
Financed equipment	<u>\$ 18,720</u>	<u>\$ -</u>

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Urban League of Eastern Massachusetts

Notes to Financial Statements
June 30, 2010 with Comparative Totals for 2009

1. ORGANIZATION AND ACTIVITIES

Urban League of Eastern Massachusetts, Inc. (ULEM) is an interracial community service and advocacy organization, located in Roxbury, Massachusetts, whose focus is to deliver services and programs that aim to increase the economic self-reliance of African Americans and other people of color throughout its service area and to advocate for their empowerment through math and English enhancement and the civil rights issues that critically affect their lives. It is affiliated with the National Urban League, Inc. and is a member of the United Way of Massachusetts Bay.

ULEM operates the following major programs:

MATURE WORKER PROGRAM (MWP)

MWP provides job training, on the job experience, job development and job placement to mature workers age 55 and above. The program works with over 68 host training agencies throughout Eastern Massachusetts to provide experiential learning so that MWP participants can gain successful employment track history to transition them into meaningful employment. Program components include: recruitment, intake and eligibility, community service assignments (CSAs), individual employment plan, soft skills trainings, case management, job development, job placement and post-job placement.

EMPLOYMENT RESOURCE CENTER

Pre-Employment Skills Training (PST): PST customers, in the age range of 18-44, receive job readiness skills, career assessments, case management, job placement assistance and technology training. Upon completion of the program, customers obtain employment or conduct structured job searches, pursue academia, or participate in further training, and receive support services for up to 24 months for post-placement.

In addition to job training, ULEM also offers a menu of services to its program participants and to the general public. These services include a variety of online resources and administrative resources to aid job seekers in their search for employment or career opportunities. The center is open to the public Monday-Friday and includes: Boston.com/Monster, UL Works, and VAULT/Public Access. ULEM also collaborates with The Boston Globe and Boston.com/Monster to coordinate Diversity Career Fairs that attract 30-40 of the area's largest employers to recruit candidates of color.

SMALL BUSINESS ENTERPRISE

ULEM's Small Business Enterprise offers a pathway to economic self sufficiency for small businesses. ULEM's services include training, mentorship and workshops to entrepreneurs, Minority Business Enterprises and small businesses. ULEM also maintains the Minority and Women Owned Business Directory. The primary goal of this site is to facilitate business-to-business connections between minority and women owned business and larger corporations, universities and other organizations.



Urban League of
Eastern Massachusetts

Notes to Financial Statements - *Continued*
June 30, 2010 with Comparative Totals for 2009

1. ORGANIZATION AND ACTIVITIES - CONTINUED

PARENT AND YOUTH SERVICES

Parent and Youth Services engage parents and children in a variety of programs that seek to enhance academic, social and emotional development. ULEM offers two to four weeks scholarships to Camp Atwater located in North Brookfield, Massachusetts. The goal is to assist in the academic and social aspect of the youths' growth and development by offering a quality residential camp experience within a safe and nurturing environment away from distractions.

FUND ACCOUNTANT PREPARATORY

The Fund Accountant Preparatory Program (FAPP): FAPP is a professional development and technology training program for men and women preparing for hire as Fund Accountants and/or financial positions at State Street Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

ULEM prepares its financial statements on the accrual basis of accounting. Accordingly, revenue is recorded when earned and expenses when goods are received or services rendered.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to ULEM that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

ULEM uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2010 and 2009, the outstanding promises to give were fully collectible.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash and cash equivalents include repurchase agreements and certificates of deposits with original maturities of three months or less.

RESTRICTED CASH

Separate bank accounts are maintained for grants or programs that are required by funding sources to maintain separate bank accounts.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

INCOME TAXES

ULEM is a not-for-profit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 180 of the Massachusetts General Laws. Unrelated business income, of which ULEM had none for the years ended June 30, 2010 and 2009, would be subject to federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

ULEM evaluates tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are *more-likely-than-not* to be sustained by the applicable federal and state authority. Tax positions not deemed to meet the *more-likely-than-not* threshold, along with accrued interest and penalties thereon, are recorded as an expense in the current year financial statements. ULEM has evaluated the tax positions taken in its previously filed returns and those expected to be taken in its 2010 returns and believe they are *more-likely-than-not* to be sustained if examined by federal or state tax authorities. ULEM's 2003 through 2009 tax years remain subject to examination by federal and state tax authorities.

DONATED SERVICES, MATERIALS AND FACILITIES

ULEM receives donated services, materials and facilities in support of its programs and administrative functions. Donated materials and services are recorded at fair value. Donated facilities are recorded at fair rental value. Donated services that (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated are recorded as contributions in the financial statements. Donated services such as fund-raising, clerical assistance or other volunteer efforts not requiring specialized skills are not recorded in the financial statements.

During 2010 and 2009, ULEM received donated services estimated by management to be \$236,371 and \$186,636, respectively, in support of its Mature Worker program. The donations were not recorded in the financial statements because they did not meet the recognition criteria above.

ADVERTISING

Advertising costs are charged to operations when incurred. There was no advertising expense for the year ended June 30, 2010, and for the year ended June 30, 2009 the advertising expense was \$185.

ACCOUNTS RECEIVABLE

Accounts receivable are presented net of the allowance for doubtful accounts. ULEM's periodic evaluation of the adequacy of the allowance is based on its past loss experience. Accounts receivable are charged off when they are over 90 days past due. At June 30, 2010 and 2009, all accounts were deemed collectible.



Urban League of
Eastern Massachusetts

Notes to Financial Statements - *Continued*
June 30, 2010 with Comparative Totals for 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support 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 restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, ULEM reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. ULEM reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Purchased property and equipment are carried at cost. Property and equipment are depreciated using the straight-line method over their estimated useful lives. Repairs and maintenance are charged to operations. Betterments, renewals, and purchases of more than \$5,000 are capitalized.

DEFERRED REVENUE

Advance contract payments are deferred until services are performed and fees earned.

FUNCTIONAL ALLOCATION OF EXPENSES

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.

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.

PRIOR-YEAR SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ULEM's financial statements for the year ended June 30, 2009, from which the summarized information was derived.



**Urban League of
Eastern Massachusetts**

Notes to Financial Statements - *Continued*
June 30, 2010 with Comparative Totals for 2009

3. RESTRICTED CASH

The National Urban League, Inc. requires that ULEM hold the cash for its MWP in a separate account. At June 30, 2010 and 2009, the Mature Worker program had \$6,046 and \$41,381, respectively, of available cash on hand.

4. LINES OF CREDIT

ULEM has two revolving lines of credit in the amounts of \$200,000 and \$100,000, respectively, from Boston Private Bank and Trust Company and Sovereign Bank with variable interest rates of 1% over the banks' base rate. The lines mature on October 2011, and February 2011, respectively, and are secured by all tangible and intangible business assets.

At June 30, 2010 and 2009, the total outstanding balance on the lines was \$155,555 and \$200,000, respectively. Interest expense totaled \$10,494 and \$15,984, respectively, for the years ended June 30, 2010 and 2009.

During 2010 the Boston Private Bank and Trust Company line of credit was restructured to reduce the limit on the line from \$300,000 to \$200,000 and to convert the \$100,000 owed at June 30, 2009 to a five year term loan.

5. NET ASSETS

Net assets consist of three components, unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are not restricted as to use. Restricted net assets are assets that have been restricted as to use by donor or grant requirements. Temporarily and permanently restricted net assets at June 30, 2010 and 2009 were restricted for the following:

<i>TEMPORARILY RESTRICTED NET ASSETS:</i>	<i>2010</i>	<i>2009</i>
Empowerment/ Small Business Enterprise	\$ 27,753	\$ 58,733
Parent and Youth Services	100,017	72,185
Employment Resource Center	85,320	10,000
Capital improvements	30,851	99,203
Capacity Building Initiative	190,398	128,289
Internet service	189,337	-
Total	<u>\$ 623,676</u>	<u>\$ 368,410</u>

PERMANENTLY RESTRICTED NET ASSETS:

Cash contributions to be held in perpetuity,
the income from which is expendable for:

Mortgage payments	\$ 465,000	\$ 465,000
Scholarships	<u>8,303</u>	<u>8,303</u>
Total	<u>\$ 473,303</u>	<u>\$ 473,303</u>



6. ENDOWMENT FUNDS

ULEM has two permanently restricted endowments, and one board designated contingency reserve that serves as a quasi-endowment. The original donor contributions of the permanent endowments are to be held in perpetuity and cannot be used without approval from the donors. The investment objectives of the endowment funds are to preserve capital and provide a competitive rate of return. To achieve the investment objectives, the endowment funds are invested in certificates of deposit. The interest earned on the permanently restricted endowments is to be used for mortgage payments and scholarships. Interest earned on the board designated contingency reserve is to be used only with authorization from the board of directors.

The composition of and changes in endowment net assets for the years ended June 30, 2010 and 2009 were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2010				
Endowment net assets, beginning of year	\$ 148,561	\$ -	\$ 473,303	\$ 621,864
Interest income	113	8,390	-	8,503
Appropriated amounts	<u>-</u>	<u>(8,390)</u>	<u>-</u>	<u>(8,390)</u>
Endowment net assets, end of year	<u>\$ 148,674</u>	<u>\$ -</u>	<u>\$ 473,303</u>	<u>\$ 621,977</u>
2009				
Endowment net assets, beginning of year	\$ 146,915	\$ -	\$ 473,303	\$ 620,218
Interest income	1,646	13,053	-	14,699
Appropriated amounts	<u>-</u>	<u>(13,053)</u>	<u>-</u>	<u>(13,053)</u>
Endowment net assets, end of year	<u>\$ 148,561</u>	<u>\$ -</u>	<u>\$ 473,303</u>	<u>\$ 621,864</u>

7. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2010 and 2009 consisted of the following:

Description	2010	2009
Land	\$ 5,697	\$ 5,697
Building and improvements	1,703,022	1,421,355
Equipment	263,089	348,973
Furniture and fixtures	34,793	34,793
Asset development in progress	7,749	176,425
Less: accumulated depreciation	<u>(1,047,244)</u>	<u>(1,070,309)</u>
Net property and equipment	<u>\$ 967,106</u>	<u>\$ 916,934</u>

Depreciation expense for the years ended June 30, 2010 and 2009 was \$86,051 and \$80,150, respectively.



8. CAPITAL LEASE OBLIGATIONS

ULEM leases office equipment under two capital leases that expire in 2011. The assets and liability under the capital leases are recorded at the present value of the minimum lease payments. The assets are amortized over their estimated useful life. The amount of the assets recorded under the capital leases at June 30, 2010 and June 30, 2009 was \$56,754. The amount of accumulated depreciation at June 30, 2010 and June 30, 2009 was \$47,013 and \$35,662, respectively. Amortization of the assets recorded under the capital leases totaled \$11,351 for the years ended June 30, 2010 and 2009, and is included in depreciation expense.

The minimum lease payments due in 2011 total \$7,713. The present value of the minimum lease payments is \$6,541.

Interest expense of \$1,135 and \$1,209, respectively, was incurred for the years ended June 30, 2010 and 2009.

9. RELATED PARTY TRANSACTIONS

ULEM operates its MWP under a grant from the National Urban League, Inc. For the years ended June 30, 2010 and 2009, ULEM was awarded grant funds totaling \$1,823,469 and \$1,468,318, respectively. At June 30, 2010 ULEM held unspent grant funds of \$6,040 under its MWP grant that was funded with money from the American Recovery and Reinvestment Act of 2009 (ARRA). These funds were returned to National Urban League, Inc. subsequent to June 30, 2010. ULEM was owed \$39,639 at June 30, 2010 for unreimbursed services performed under its non-ARRA funded grant. At June 30, 2009, ULEM held unspent grant funds of \$41,381.

In addition, \$150,000 has been collected on behalf of the National Urban League for the National Conference to be held in July 2011. The amount is recorded as "Due to National Urban League" on the statement of financial position.

10. MORTGAGE PAYABLE

Mortgage payable consists of a 7.25% 25 year mortgage note due April 2020, secured by the property at 88 Warren Street, Roxbury, Massachusetts with a book value of \$697,421.

Payments of principal and interest are due in monthly installments of \$3,998. At June 30, 2010 and 2009, the outstanding principal was \$346,457 and \$368,444, respectively.

Principal payments on the mortgage for each of the next five years and thereafter are as follows:

Year Ending June 30,	Amount
2011	\$ 23,635
2012	25,407
2013	27,311
2014	29,358
2015	31,559
Thereafter	<u>209,187</u>

Interest expense of \$25,991 and \$27,524, respectively, was incurred for the years ended June 30, 2010 and 2009.



**Urban League of
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Notes to Financial Statements - *Continued*
June 30, 2010 with Comparative Totals for 2009

11. LOANS PAYABLE

During 2010 ULEM secured a three-year noninterest bearing loan payable to Comcast. However, to reflect the time value of money, the liability recorded in the financial statements reflects future payments discounted at an imputed rate of 15%. The present value of the loan payments totaled \$15,001 at June 30, 2010. The loan is payable in monthly installments of \$520 beginning in March 2011.

During February 2010 the Boston Private Bank and Trust Company line of credit was restructured to reduce the limit on the line from \$300,000 to \$200,000 and to convert the \$100,000 owed at June 30, 2009 to a five-year term loan at 6.62%. The loan matures on October 31, 2014. Principal payments of \$1,667 plus interest are due monthly. The outstanding balance was \$90,000 at June 30, 2010.

Future loan payments are as follows:

Year Ending June 30,	
2011	\$ 22,080
2012	26,240
2013	26,240
2014	24,160
2015	<u>10,000</u>
Face amount of loan	108,720
Unamortized discount	<u>(3,719)</u>
Present value of loan payments	<u>\$ 105,001</u>

Interest expense of \$2,643 was incurred on these loans for the year ended June 30, 2010.

12. PROMISES TO GIVE

At June 30, 2010 and 2009, the outstanding unconditional promises to give were all deemed collectible and were due as follows:

	2010	2009
Promises due in one year	\$ 187,300	\$ 201,048
Promises due in two to five years	<u>160,800</u>	<u>-</u>
Total unconditional contributions receivable	348,100	201,048
Less discount to net present value	<u>11,663</u>	<u>2,871</u>
Net promises to give	<u>\$ 336,437</u>	<u>\$ 198,177</u>



Urban League of
Eastern Massachusetts

Notes to Financial Statements - *Continued*
June 30, 2010 with Comparative Totals for 2009

13. CONTINGENCY

The expenses reflected in the accompanying financial statements relating to government contracts are subject to audit by the funding sources. The possible disallowance of any items recorded as contract costs cannot be determined at this time. However, management does not believe that any such disallowance would be material to ULEM's financial statements. Accordingly, no provision for any liability that may result has been made in financial statements.

14. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

CREDIT RISK

ULEM maintains checking and savings accounts at several financial institutions. At June 30, 2010 and 2009, amounts on deposit in excess of the Federal Deposit Insurance Corporation insurance coverage limit totaled \$215,000 per year. It is the opinion of management that the solvency of the financial institutions is not of particular concern at this time.

REVENUE AND OTHER SUPPORT

During 2010 and 2009, ULEM received 57% and 56%, respectively, of its total revenue and other support from one and two grantors, respectively. In addition, its annual fundraising gala provided 16% and 18% respectively, of its total revenue and support for 2010 and 2009. At June 30, 2010 and 2009 the outstanding promises to give from two donors represented 53% and 69% of the outstanding promises to give.

15. SUBSEQUENT EVENTS

ULEM has evaluated subsequent events through January 26, 2011, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



**Urban League of
Eastern Massachusetts**

**Supplemental Statement of Program Expenses
For the Year Ended June 30, 2010 with Summarized Comparative Totals for 2009**

DESCRIPTION	PROGRAMS							2010 TOTAL	2009 TOTAL
	EMPLOYMENT RESOURCE CENTER	FUND ACCOUNTING PREPARATORY	SMALL BUSINESS ENTERPRISE	MATURE WORKER	PARENT AND YOUTH SERVICES	OTHER PROGRAMS			
	Personnel	\$ 175,506	\$ 68,515	\$ 17,551	\$ 1,831,854	\$ 3,949	\$ 6,000		
Consumable materials and supplies	6,082	806	2,317	15,029	1,009	19,000	44,243	18,577	
Travel and transportation	414	56	-	861	-	422	1,753	663	
Training, conferences, and meetings	628	-	-	471	-	168	1,267	1,979	
Membership dues	1,667	1,667	1,667	1,667	-	-	6,668	7,145	
Miscellaneous	-	-	-	-	-	-	-	353	
Insurance	1,109	389	201	8,758	61	-	10,518	10,810	
Direct assistance to clients	-	-	-	-	59,069	-	59,069	44,621	
Facilities	8,112	4,407	2,908	60,539	257	-	76,223	87,783	
Computer and equipment	466	187	51	5,624	15	-	6,343	3,306	
Printing and reproduction	484	344	45	2,419	15	-	3,307	1,984	
Communications	2,899	1,068	291	16,890	250	18	21,416	20,960	
Administrative costs	1,605	987	572	24,050	57	-	27,271	28,082	
Total expenses before administrative allocation	198,972	78,426	25,603	1,968,162	64,682	25,608	2,361,453	2,077,816	
Administrative allocation	98,758	15,431	15,210	190,554	2,792	5,619	328,365	438,101	
Total expenses	\$ 297,730	\$ 93,857	\$ 40,813	\$ 2,158,716	\$ 67,474	\$ 31,227	\$ 2,689,818	\$ 2,515,917	