

**URBAN LEAGUE OF  
EASTERN MASSACHUSETTS, INC.**

Financial Statements and Auditors' Report  
and  
Reports in Accordance with OMB Circular A-133  
and Government Auditing Standards  
June 30, 2009 with Comparative Totals for 2008



**Daniel Dennis & Company LLP**

*Certified Public Accountants*

116 Huntington Avenue

Boston, MA 02116

(617) 262-9898

FAX: (617) 437-9937

Web Site: <http://www.danieldennis.com>

E-Mail: [rdavis@danieldennis.com](mailto:rdavis@danieldennis.com)

# 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, 2009 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 2008 financial statements and, in our report dated December 17, 2008, 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, 2009 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2010 on our consideration of ULEM's internal control over financial reporting and our testing 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of ULEM taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of ULEM. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*David Lewis + Company LLP*

January 28, 2010

**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Statement of Financial Position

June 30, 2009 with Comparative Totals for 2008

	2009	2008
<b>ASSETS</b>		
<i>CURRENT ASSETS:</i>		
Cash and cash equivalents	\$ 313,266	\$ 526,774
Cash restricted for Mature Workers program	41,381	-
Accounts receivable	39,914	115,140
Unconditional promises to give for operations	140,581	102,956
Employee receivable	14,349	786
Prepaid expense	<u>45,429</u>	<u>22,193</u>
Total current assets	<u>594,920</u>	<u>767,849</u>
<i>NON-CURRENT ASSETS:</i>		
Cash restricted for permanently restricted endowment	473,303	473,303
Cash restricted to purchase of property and equipment	41,627	-
Unconditional promises to give for operations	-	60,165
Unconditional promises to give restricted to purchase of property and equipment	<u>57,596</u>	<u>221,000</u>
Total non-current assets	<u>572,526</u>	<u>754,468</u>
<i>PROPERTY AND EQUIPMENT:</i>		
Land	5,697	5,697
Building and improvements	1,421,355	1,384,038
Equipment	348,973	375,073
Furniture and fixtures	34,793	34,793
Improvement in progress	176,425	31,688
Less: accumulated depreciation	<u>(1,070,309)</u>	<u>(1,016,259)</u>
Net property and equipment	<u>916,934</u>	<u>815,030</u>
Total assets	<u>\$ 2,084,380</u>	<u>\$ 2,337,347</u>
<b>Liabilities and Net Assets</b>		
<i>CURRENT LIABILITIES:</i>		
Accounts payable	\$ 103,628	\$ 172,707
Refundable advances	39,780	-
Accrued expenses	66,690	65,799
Deferred revenue	58,638	-
Lines of credit obligation	200,000	275,000
Capital lease obligation - current portion	12,729	12,501
Mortgage payable - current portion	<u>21,987</u>	<u>20,454</u>
Total current liabilities	<u>503,452</u>	<u>546,461</u>
<i>LONG-TERM LIABILITIES:</i>		
Capital lease obligation	6,541	19,046
Mortgage payable	<u>346,457</u>	<u>368,444</u>
Total long-term debt	<u>352,998</u>	<u>387,490</u>
Total liabilities	<u>856,450</u>	<u>933,951</u>
<i>NET ASSETS:</i>		
Unrestricted		
Fixed assets	529,220	394,585
Board designated contingency reserve	148,561	146,915
Operating	<u>(291,564)</u>	<u>(165,450)</u>
Total unrestricted net assets	<u>386,217</u>	<u>376,050</u>
Temporarily restricted	368,410	554,043
Permanently restricted	<u>473,303</u>	<u>473,303</u>
Total net assets	<u>1,227,930</u>	<u>1,403,396</u>
Total liabilities and net assets	<u>\$ 2,084,380</u>	<u>\$ 2,337,347</u>

See accompanying notes to financial statements.

**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Statement of Activities

For the Year Ended June 30, 2009 with Summarized Comparative Totals for 2008

	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	<b>PERMANENTLY RESTRICTED</b>	<b>2009 TOTAL</b>	<b>2008 TOTAL</b>
<b>REVENUE AND SUPPORT:</b>					
United Way	\$ 149,808	\$ -	\$ -	\$ 149,808	\$ 236,067
Grants and contributions	1,657,156	409,698	-	2,066,854	2,666,301
Membership dues	58,383	-	-	58,383	86,958
Special events	561,446	-	-	561,446	578,279
Less: costs of direct benefits to donors	(138,174)	-	-	(138,174)	(166,488)
Less: other direct event costs	(58,821)	-	-	(58,821)	(87,157)
Net revenue from special events	364,451	-	-	364,451	324,634
Other income	36,368	-	-	36,368	46,658
Interest income	14,699	-	-	14,699	24,680
Net assets released from restrictions	595,331	(595,331)	-	-	-
Total revenue and support	<u>2,876,196</u>	<u>(185,633)</u>	<u>-</u>	<u>2,690,563</u>	<u>3,385,298</u>
<b>EXPENSES:</b>					
Program services	2,077,816	-	-	2,077,816	2,361,474
Management and general	556,983	-	-	556,983	599,334
Fundraising	231,230	-	-	231,230	247,403
Total expenses	<u>2,866,029</u>	<u>-</u>	<u>-</u>	<u>2,866,029</u>	<u>3,208,211</u>
Change in net assets	10,167	(185,633)	-	(175,466)	177,087
Net assets, beginning of year	376,050	554,043	473,303	1,403,396	1,226,309
<b>Net assets, end of year</b>	<u>\$ 386,217</u>	<u>\$ 368,410</u>	<u>\$ 473,303</u>	<u>\$ 1,227,930</u>	<u>\$ 1,403,396</u>

See accompanying notes to financial statements.

**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Statement of Functional Expenses

For the Year Ended June 30, 2009 with Summarized Comparative Totals for 2008

DESCRIPTION	MANAGEMENT AND			2009 TOTAL	2008 TOTAL
	PROGRAMS	GENERAL	FUND- RAISING		
Personnel	\$ 1,851,553	\$ 392,128	\$ 176,318	\$ 2,419,999	\$ 2,625,855
Consumable materials and supplies	18,577	1,779	505	20,861	57,215
Travel and transportation	663	1,698	384	2,745	10,850
Training, conferences, and meetings	1,979	6,199	790	8,968	49,943
Membership dues	7,145	2,765	1,429	11,339	10,238
Miscellaneous	353	7,047	10,443	17,843	30,745
Insurance	10,810	7,337	2,493	20,640	19,169
Direct assistance to clients	44,621	-	-	44,621	32,185
Facilities	87,783	54,529	21,656	163,968	202,152
Computer and equipment	3,306	1,920	323	5,549	3,832
Printing and reproduction	1,984	13,339	3,327	18,650	20,313
Communications	20,960	11,735	9,332	42,027	53,246
Administrative costs	28,082	56,507	4,230	88,819	92,468
Total expenses before administrative allocation	2,077,816	556,983	231,230	2,866,029	3,208,211
Administrative allocation	438,101	(556,983)	118,882	-	-
Total expenses	\$ 2,515,917	\$ -	\$ 350,112	\$ 2,866,029	\$ 3,208,211

See accompanying notes to financial statements.

**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**  
Statement of Cash Flows  
For the Year Ended June 30, 2009 with Comparative Totals for 2008

	<b>2009</b>	<b>2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (175,466)	\$ 177,087
Adjustments to reconcile change in net assets to net cash (used in)/ provided by operating activities:		
Depreciation	80,150	105,338
Bad debt	7,750	6,977
Collections of contributions restricted to purchase of property and equipment	(163,404)	-
(Increase)/decrease in operating assets:		
Cash restricted for Mature Workers program	(41,381)	-
Accounts receivable/ promises to give	239,857	(95,569)
Prepaid expenses	(23,236)	(8,235)
Increase/(decrease) in operating liabilities:		
Accounts payable	(69,079)	16,664
Accrued expenses	891	(30,253)
Refundable advances	39,780	-
Deferred revenue	58,638	(81,030)
	(45,500)	90,979
Net cash (used in)/ provided by operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of assets restricted to investment in property and equipment	(41,627)	-
Payments for building improvements and equipment	(182,054)	(31,688)
	(223,681)	(31,688)
Net cash used in investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Collections of contributions restricted to purchase of property and equipment	163,404	-
Proceeds from lines of credit	25,000	350,000
Principal payments on lines of credit	(100,000)	(75,000)
Principal payments on capital lease obligation	(12,277)	(11,841)
Principal payments on mortgage	(20,454)	(19,028)
	55,673	244,131
Net cash provided by financing activities		
Net (decrease) increase in cash and cash equivalents	(213,508)	303,422
Cash and cash equivalents, beginning of year	526,774	223,352
<b>Cash and cash equivalents, end of year</b>	<b>\$ 313,266</b>	<b>\$ 526,774</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid for interest	\$ 53,961	\$ 46,036

*See accompanying notes to financial statements.*

# URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.

Notes to Financial Statements

June 30, 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 (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.

### ADVOCACY AND PUBLIC POLICY

ULEM's Advocacy and Public Policy initiatives stem from a rich history of involvement in public policy discussions at the federal, state and local levels. These efforts are focused on reducing barriers to full employment, quality education, economic mobility, and social justice affecting African Americans, other urban residents of color and poor or lower-income communities.

### 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,



**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Notes to Financial Statements - *Continued*

June 30, 2009

**1. ORGANIZATION AND ACTIVITIES - CONTINUED**

*SMALL BUSINESS ENTERPRISE - Continued*

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.

**PARENT AND YOUTH SERVICES**

Parent and Youth Services engage parents and children in a variety programs that seeks 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 youth's 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): Piloted in November of 2008, 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. This past FY2009 pilot cycle, FAPP served 34 applicants, provided training for 18 students, graduated 12, and placed 9 students in paid State Street Corporation's internship program.

**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, 2009 and 2008, 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

**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Notes to Financial Statements - *Continued*

June 30, 2009

**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, 2009 and 2008, would be subject to federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

During 2009, ULEM adopted Financial Accounting Standards Board (FASB) Interpretation No. 48 *Accounting for Uncertainty in Income Taxes* (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in ULEM's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold, along with accrued interest and penalties thereon, would be 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 2009 returns and believe they are more-likely-than-not of being sustained if examined by Federal or state tax authorities. ULEM's 2002 through 2008 tax years remain subject to examination by Federal and state tax authorities.

*RESTRICTED CASH*

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

*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 2009 and 2008, ULEM received donated services estimated by management to be approximately \$186,636 and \$188,008, 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. During 2009, ULEM received donated professional branding services valued at \$55,000 in support of its administrative function that are recorded in the financial statements.

*ADVERTISING*

Advertising costs are charged to operations when incurred. Advertising expense for the years ended June 30, 2009 and 2008 was \$185 and \$8,332, respectively.

**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Notes to Financial Statements - *Continued*

June 30, 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. Depreciation expense for the years ended June 30, 2009 and 2008 was \$80,150 and \$105,338, respectively.

*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, 2009 and 2008, all accounts were deemed collectible.

*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, 2008, from which the summarized information was derived.

**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Notes to Financial Statements - *Continued*

June 30, 2009

**3. RESTRICTED CASH**

The National Urban League, Inc. requires that ULEM hold the cash for its Mature Worker program in a separate account. At June 30, 2009 and 2008, the Mature Worker program had \$41,381 and \$0, respectively, of available cash on hand.

**4. LINES OF CREDIT**

ULEM has two revolving lines of credit in the amounts of \$300,000 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 September 8, 2009, and February 2010, respectively, and are secured by all tangible and intangible business assets.

At June 30, 2009 and 2008, the total outstanding balance on the lines was \$200,000 and \$275,000, respectively.

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

**5. NET ASSETS**

The net assets account represents the cumulative excess of revenue and other support over expenses. Net assets consists of three components, unrestricted, temporarily restricted and permanently restricted. Unrestricted funds are not restricted as to use. Restricted funds are funds that have been restricted as to use by donor or grant requirements. Temporarily and permanently restricted net assets at June 30, 2009 and 2008 were restricted for the following:

<i>TEMPORARILY RESTRICTED NET ASSETS:</i>	<i>2009</i>	<i>2008</i>
Empowerment/ Small Business Enterprise	\$ 58,733	\$ 157,563
Parent and Youth Services	72,185	46,289
Employment Resource Center	10,000	29,872
Capital improvements	99,203	196,359
Capacity Building Initiative	<u>128,289</u>	<u>123,960</u>
Total	<u>\$ 368,410</u>	<u>\$ 554,043</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>

**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Notes to Financial Statements - *Continued*

June 30, 2009 and 2008

**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 endowments 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.

**7. 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 \$887,752.

Payments of principal and interest are due in monthly installments of \$3,998. At June 30, 2009 and 2008, the outstanding principal was \$368,444 and \$388,898, respectively.

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

<i>Year Ending</i>	
<i>June 30,</i>	<i>Amount</i>
2010	21,987
2011	23,635
2012	25,406
2013	27,311
2014	29,358
Thereafter	<u>240,747</u>
Total	<u>\$ 368,444</u>

Interest expense of \$27,524 and \$28,951, respectively, was incurred for the years ended June 30, 2009 and 2008.

**8. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

**CREDIT RISK**

ULEM maintains checking and savings accounts at several financial institutions. Effective October 2008, insurance provided by the Federal Deposit Insurance Corporation (FDIC) on accounts at each institution was up to \$250,000 for interest bearing accounts and unlimited for non-interest bearing accounts. At June 30, 2009 and 2008, amounts in excess of the FDIC insurance coverage limit totaled \$215,000 and \$924,427, respectively. It is the opinion of management that the solvency of the financial institutions is not of particular concern at this time.

**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Notes to Financial Statements - *Continued*

June 30, 2009 and 2008

**8. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS - CONTINUED**

*REVENUE AND OTHER SUPPORT*

During 2009 and 2008, ULEM received 56% and 49%, respectively, of its total revenue and other support from two grantors. In addition, its annual fundraising gala provided 18% and 14% respectively, of its total revenue and support for 2009 and 2008. At June 30, 2009 the outstanding promises to give from two donors represented 69% of the outstanding promises to give. At June 30, 2008, no individual donor represented a significant concentration of outstanding promises to give.

**9. RELATED PARTY TRANSACTIONS**

ULEM operates its Mature Worker program under a grant from the National Urban League, Inc. For the years ended June 30, 2009 and 2008, ULEM was awarded grant funds totaling \$1,468,318 and \$1,299,909, respectively. At June 30, 2009, ULEM held unspent grant funds of \$41,381 and at June 30, 2008 ULEM was owed \$18,462, for unreimbursed services performed under the grant.

**10. 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, 2009 and June 30, 2008 was \$56,754. The amount of accumulated depreciation at June 30, 2009 and June 30, 2008 was \$35,662 and \$24,311, respectively. Amortization of the assets recorded under the capital leases totaled \$11,351 for the years ended June 30, 2009 and 2008, and is included in depreciation expense.

The minimum lease payments over the remaining terms of the capital leases are as follows:

<i>Year Ending June 30,</i>	<i>Amount</i>
2010	\$ 13,220
2011	<u>7,714</u>
Total	20,934
Less: interest	<u>(1,664)</u>
Present value of minimum lease payments	<u>\$ 19,270</u>

Interest expense of \$1,209 and \$1,205, respectively, was incurred for the years ended June 30, 2009 and 2008.

**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Notes to Financial Statements - *Continued*

June 30, 2009 and 2008

**11. PROMISES TO GIVE**

At June 30, 2009 and 2008 unconditional promises to give were due as follows:

	2009	2008
Promises due in one year	\$ 201,048	\$ 326,827
Promises due in two to five years	<u>-</u>	<u>66,667</u>
Total unconditional contributions receivable	201,048	393,494
Less discount to net present value (4.50% discount rate)	<u>2,871</u>	<u>9,373</u>
Net promises to give	<u>\$ 198,177</u>	<u>\$ 384,121</u>

The U.S. Treasury bill rate corresponding with the term of the promise was used to discount promises to give.

**12. CONTINGENCIES**

*GOVERNMENT CONTRACTS*

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.

**13. SUBSEQUENT EVENTS**

ULEM has evaluated subsequent events through January 28, 2010, which is the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**



**URBAN LEAGUE OF EASTERN MASSACHUSETTS, INC.**

Supplemental Statement of Program Expenses

For the Year Ended June 30, 2009 with Summarized Comparative Totals for 2008

DESCRIPTION	PROGRAMS									
	EMPLOYMENT RESOURCE CENTER	FUND ACCOUNTING PREPARATORY	SMALL BUSINESS ENTERPRISE	MATURE WORKER	PARENT AND YOUTH SERVICES	ADVOCACY AND PUBLIC POLICY	2009 TOTAL	2008 TOTAL		
Personnel	160,021	78,401	75,851	1,502,177	7,657	27,446	1,851,553	2,041,903		
Consumable materials and supplies	468	437	3,345	9,296	4,427	604	18,577	51,219		
Travel and transportation	-	26	434	203	-	-	663	5,804		
Training, conferences, and meetings	-	195	992	158	-	634	1,979	10,558		
Membership dues	1,429	1,429	1,429	1,429	1,429	-	7,145	3,863		
Miscellaneous	74	-	263	16	-	-	353	9,516		
Insurance	2,037	1,237	207	7,165	125	39	10,810	12,202		
Direct assistance to clients	-	-	-	-	44,621	-	44,621	32,185		
Facilities	25,644	4,967	2,169	51,393	2,120	1,490	87,783	127,848		
Computer and equipment	351	161	125	2,570	92	7	3,306	1,934		
Printing and reproduction	319	57	184	1,340	78	6	1,984	3,526		
Communications	2,773	1,164	798	15,385	566	274	20,960	26,338		
Administrative costs	5,221	985	329	20,942	356	249	28,082	34,578		
<b>Total expenses before administrative allocation</b>	<b>198,337</b>	<b>89,059</b>	<b>86,126</b>	<b>1,612,074</b>	<b>61,471</b>	<b>30,749</b>	<b>2,077,816</b>	<b>2,361,474</b>		
<b>Administrative allocation</b>	<b>120,414</b>	<b>52,755</b>	<b>57,077</b>	<b>181,440</b>	<b>5,762</b>	<b>20,653</b>	<b>438,101</b>	<b>472,989</b>		
<b>Total expenses</b>	<b>318,751</b>	<b>141,814</b>	<b>143,203</b>	<b>1,793,514</b>	<b>67,233</b>	<b>51,402</b>	<b>2,515,917</b>	<b>2,834,463</b>		