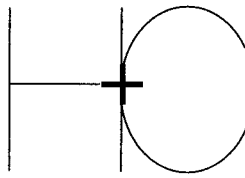


UPHAM'S CORNER  
COMMUNITY CENTER, INC.  
(D/B/A BIRD STREET COMMUNITY CENTER)  
FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

UPHAM'S CORNER COMMUNITY CENTER, INC.

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Changes in Net Assets	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7
Independent Auditors' Report on Supplementary Information	12
Supplementary Information:	
Supplemental Schedule of Expenses	13



One West Foster Street  
Melrose, MA 02176.3852  
Telephone 781.665.7100  
Facsimile 781.665.9380

*Certified Public Accountants*

David J. McCaughin, CPA  
John S. McNamara, CPA

### Independent Auditors' Report

To the Board of Directors  
Upham's Corner Community Center, Inc.  
Dorchester, Massachusetts

We have audited the accompanying statements of financial position of Upham's Corner Community Center, Inc. as of June 30, 2009 and 2008, and the related statements of activities, changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Upham's Corner Community Center, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U. S. generally accepted auditing standards. 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 audits provide 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 Upham's Corner Community Center, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with U. S. generally accepted accounting principles.

*Hughes and Company, P.C.*

HUGHES AND COMPANY, P.C.  
Melrose, Massachusetts  
November 10, 2009

UPHAM'S CORNER COMMUNITY CENTER, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Cash	\$ 738,413	\$ 704,710
Grants and contracts receivable	110,085	90,127
Prepaid expenses	7,013	34,508
Unconditional promises to give	115,000	100,000
Total Current Assets	970,511	929,345
Property and Equipment		
Vehicles and equipment	185,785	185,785
Leasehold improvements	447,500	447,500
Less accumulated amortization and depreciation	(350,764)	(317,419)
Property and Equipment, Net	282,521	315,866
Total Assets	\$ 1,253,032	\$ 1,245,211

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 36,101	\$ 31,967
Deferred revenue	12,228	6,825
Total Liabilities	48,329	38,792
Net Assets		
Unrestricted - operating	608,582	719,553
Unrestricted - property and equipment	34,776	49,346
Temporarily restricted - capital asset support	247,745	266,520
Temporarily restricted - general support	313,600	171,000
Total Net Assets	1,204,703	1,206,419
Total Liabilities and Net Assets	\$ 1,253,032	\$ 1,245,211

The accompanying notes are an integral part of the financial statements

UPHAM'S CORNER COMMUNITY CENTER, INC.  
STATEMENTS OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2009 AND 2008

	Unrestricted Net Assets Operating	Unrestricted Net Assets Community Center	Unrestricted Net Assets Property and Equipment	Temporarily Restricted Net Assets Capital Asset Support	Temporarily Restricted Net Assets General Support	Temporarily Restricted Net Assets Community Center	Total Net Assets
Net Assets, June 30, 2007	\$ 159,936	\$ 285,538	\$ 197,299	\$ -	\$ 70,000	\$ 234,756	\$ 947,529
Increase (Decrease) in Net Assets	(6,079)	-	-	-	348,520	(83,551)	258,890
Transfers of Net Assets:							
Leasehold improvements	(175,155)	-	-	175,155	-	-	-
Equipment purchases	(33,905)	-	1,905	32,000	-	-	-
Loss on disposition of construction costs	(62,861)	-	-	-	-	62,861	-
Depreciation	27,632	-	(14,652)	(12,980)	-	-	-
Donor contribution re-committed to FY09	-	-	-	-	19,000	(19,000)	-
To reclassify net assets	809,985	(285,538)	(135,206)	72,345	(266,520)	(195,066)	-
Net Assets, June 30, 2008	719,553	-	49,346	266,520	171,000	-	1,206,419
Increase (Decrease) in Net Assets	(110,971)	-	(14,570)	(18,775)	142,600	-	(1,716)
Net Assets, June 30, 2009	\$ 608,582	\$ -	\$ 34,776	\$ 247,745	\$ 313,600	\$ -	\$ 1,204,703

The accompanying notes are an integral part of the financial statements

UPHAM'S CORNER COMMUNITY CENTER, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Unrestricted Net Assets		
Public Support/Grants and Contracts		
City of Boston, In-Kind Support	\$ 120,000	\$ 120,000
Department of Education - USDA	15,286	22,482
Economic Development Industrial Corp.	53,679	49,012
Department of Early Education and Care - Slots	124,377	109,509
Department of Early Education and Care - Vouchers	209,590	190,381
United Way	107,620	78,349
Foundation and Corporate Grants	400,721	524,185
Community, Agency and Other Government Support	221,262	49,683
Total Public Support	<u>1,252,535</u>	<u>1,143,601</u>
Revenues		
Program service fees	139,058	149,432
Interest	8,665	7,775
Total Revenues	<u>147,723</u>	<u>157,207</u>
Total Unrestricted Public Support and Revenues	<u>1,400,258</u>	<u>1,300,808</u>
Net assets released from restrictions		
Capital grants support	18,775	12,980
Foundation and other support	121,000	90,690
Total Unrestricted Support and Reclassifications	<u>1,540,033</u>	<u>1,404,478</u>
Expenses		
Management and general	189,169	163,578
Fundraising	56,933	64,101
Program services	1,419,472	1,182,878
Total Expenses	<u>1,665,574</u>	<u>1,410,557</u>
Increase (Decrease) in Unrestricted Net Assets	<u>(125,541)</u>	<u>(6,079)</u>
Temporarily Restricted Net Assets		
Foundation support	263,600	152,000
Capital grants support	-	279,500
Loss from disposition - Community Center	-	(62,861)
Net assets released from restrictions		
Satisfaction of program restrictions	(18,775)	(33,670)
Expiration of time restrictions	(121,000)	(70,000)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>123,825</u>	<u>264,969</u>
Increase (Decrease) in Net Assets	<u>\$ (1,716)</u>	<u>\$ 258,890</u>

The accompanying notes are an integral part of the financial statements

UPHAM'S CORNER COMMUNITY CENTER, INC.  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 YEARS ENDED JUNE 30, 2009 and 2008

	Totals		Management and General		Fundraising		Programs	
	2009	2008	2009	2008	2009	2008	2009	2008
Employee compensation and related expenses	\$ 859,002	\$ 723,098	\$ 92,906	\$ 72,564	\$ 13,174	\$ 36,810	\$ 752,922	\$ 613,724
Occupancy (including In-Kind rent of \$120,000 for both 2009 and 2008)	180,378	172,303	47,659	45,977	-	-	132,719	126,326
Other program/operating expense	475,810	402,676	-	9,124	-	1,890	475,810	391,662
Administration, consulting, professional fees and other expenses	117,039	84,848	46,610	34,261	43,423	25,123	27,006	25,464
Depreciation of buildings and equipment	33,345	27,632	1,994	1,652	336	278	31,015	25,702
Total Expenses	<u>\$ 1,665,574</u>	<u>\$ 1,410,557</u>	<u>\$ 189,169</u>	<u>\$ 163,578</u>	<u>\$ 56,933</u>	<u>\$ 64,101</u>	<u>\$ 1,419,472</u>	<u>\$ 1,182,878</u>

The accompanying notes are an integral part of the financial statements

UPHAM'S CORNER COMMUNITY CENTER, INC.  
STATEMENTS OF CASH FLOWS  
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ (1,716)	\$ 258,890
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation	33,345	27,632
Loss from disposition of Community Center	-	62,861
Changes in assets and liabilities		
(Increase) Decrease in:		
Grants and contracts receivable	(19,958)	(35,656)
Prepaid expenses	27,495	4,074
Unconditional promises to give	(15,000)	(100,000)
Increase (Decrease) in:		
Accounts payable and accrued expense	4,134	6,628
Deferred revenue	5,403	(72,345)
Net Cash Provided by Operating Activities	33,703	152,084
Cash Flows from Investing Activities		
Purchase of vehicle and equipment	-	(33,905)
Payments for leasehold improvements	-	(175,155)
Payments on construction in progress	-	-
Net Cash Used in Investing Activities	-	(209,060)
Net Increase (Decrease) in Cash	33,703	(56,976)
Cash, Beginning	704,710	761,686
Cash, Ending	\$ 738,413	\$ 704,710
Supplemental Disclosures of Cash Flows Information		
Cash paid during the year for		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

The accompanying notes are an integral part of the financial statements



UPHAM'S CORNER COMMUNITY CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Upham's Corner Community Center, Inc. (the "Organization") is a not-for-profit corporation located in the Upham's Corner area of Boston, Massachusetts. The Organization was organized under Chapter 180 of the Massachusetts General Laws to provide the community with athletic, recreational, social and educational services.

The Organization is supported primarily through donor contributions, government grants and contracts, program service fees and the United Way. Approximately 8% and 6% of the Organization's support for the years ended June 30, 2009 and 2008, respectively, came from allocations from the United Way.

Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting, whereby assets, liabilities, revenue and expenses were recognized and recorded when earned or incurred.

Financial Statement Presentation

The Upham's Corner Community Center, Inc. presents its financial statements in accordance with Statement of Financial Accounting Standards, (SFAS) No. 117, *"Financial Statements of Not-for-Profit Organizations."* Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Contributions

Upham's Corner Community Center, Inc. reports contributions received in accordance with SFAS No. 116, *"Accounting for Contributions Received and Contributions Made"*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under SFAS No. 116, contributions which are designated by the donor for use in a future period or for specific purposes are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time or use of the funds for the specified purpose.

UPHAM'S CORNER COMMUNITY CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009 AND 2008

Note 1 - Summary of Significant Accounting Policies (continued)

Contributions (continued)

Recognition of Donor Restricted Contributions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of Estimates and Assumptions in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise is received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Functional Allocation of Expenses

The costs of providing the Organization's program, supporting services, and fundraising have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program, administrative, and fundraising categories.

Income Taxes

Upham's Corner Community Center, Inc. was granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements.

UPHAM'S CORNER COMMUNITY CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009 AND 2008

Note 1 - Summary of Significant Accounting Policies (continued)

Cash and Cash-Equivalents

For purposes of the statement of cash flows, Upham's Corner Community Center, Inc. considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Donated Services and Facilities

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and administrative tasks. The Organization receives more than 13,000 volunteer hours per year.

In addition, the Organization operates in a facility owned by the City of Boston, at no cost. The estimated lease value of the facility in the amount of \$120,000 is recorded in the financial statements as both in-kind contribution and occupancy expense.

Property and Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are expensed as incurred while renewals and betterments are capitalized.

Depreciation has been provided using the straight-line method over the estimated useful lives of the assets as follows:

Leasehold improvements	20 years
Equipment	5 years
Furniture and fixtures	5 years

Donated Property and Equipment

The Organization has adopted a policy under SFAS No. 116 which implies a time restriction on donated fixed assets. Accordingly, donated assets are recorded as an increase in temporarily restricted net assets when acquired. As depreciation expense is recorded on these fixed assets, temporarily restricted net assets are reclassified to the unrestricted net assets in an amount equal to depreciation expense on donated fixed assets.

UPHAM'S CORNER COMMUNITY CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009 AND 2008

Note 2 - Unconditional Promises to Give

Unconditional promises to give, totaling \$100,000 as of June 30, 2008, were designated for general funding of \$50,000 each year for fiscal years 2009 and 2010.

Note 3 - Concentrations of Credit Risk Arising from  
Cash Deposits in Excess of Insured Limits

The Organization maintains its cash balances in two financial institutions located in the Boston area. The balances are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At June 30, 2009, the Organization's bank deposits were fully insured.

Note 4 - Community Center Capital Campaign

In 2007, the Organization partnered with Dorchester Bay Economic Development Corporation to build and manage a new community center in the Bowdoin Street area of Dorchester. In 2008, the Organization decided to dissolve its capital campaign for the new community center.

All contributors who had restricted their contributions for the new community center have been contacted and have re-committed their contributions to the Organization's general operations. As a result, funds committed for the new community center have been re-committed to the Organization's general operating fund.

Construction in progress costs previously incurred which totaled \$62,861, have been charged against available community center funds for the year ended June 30, 2008 as a loss from disposition of constructions costs.

The remaining temporarily restricted funds and other designated new community center funds totaling \$499,604 have been transferred to the unrestricted operating fund of the Organization as of June 30, 2008 for general operations.

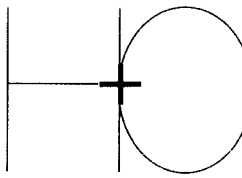
Note 5 - Defined Contribution Plan

The Organization has a defined contribution plan (the Plan) covering all employees who agree to make contributions to the Plan. The Organization matches participants' contributions to the Plan up to 2% of the individual participant's compensation. Total expense for the year ended June 30, 2009 and 2008 was \$9,815 and \$8,637, respectively.

UPHAM'S CORNER COMMUNITY CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009 AND 2008

Note 6 - Surplus Revenue Retention

A not-for-profit provider is allowed to retain an annual net surplus of up to five percent of gross revenues derived from delivering services to clients of the Commonwealth of Massachusetts, beginning with the fiscal year ended June 30, 1993. The cumulative amount retained may not exceed twenty percent of the prior year's gross revenues from Commonwealth of Massachusetts purchasing agencies, and must be segregated as surplus revenue retention fund balance. A current year surplus which exceeds the five percent level or a cumulative surplus exceeding the twenty percent amount may be reinvested in program services as stipulated by the purchasing agencies, recouped, or used by the Commonwealth to reduce the price of future contracts. As of June 30, 2009, the Organization did not have surplus revenue and, therefore, no liability has been recorded.



One West Foster Street  
Melrose, MA 02176.3852  
Telephone 781.665.7100  
Facsimile 781.665.9380

*Certified Public Accountants*

David J. McCaughin, CPA  
John S. McNamara, CPA

Independent Auditors' Report on Supplementary Information

To the Board of Directors  
Upham's Corner Community Center, Inc.  
Dorchester, Massachusetts

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of expenses on page 13 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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.

*Hughes and Company, P.C.*

HUGHES AND COMPANY, P.C.  
Melrose, Massachusetts  
November 10, 2009

UPHAM'S CORNER COMMUNITY CENTER, INC.  
SUPPLEMENTAL SCHEDULE OF EXPENSES  
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Expenses		
Salaries and wages	\$ 734,343	\$ 621,596
Payroll tax expense	73,436	62,853
Health insurance/workers compensation	41,408	29,760
401K expense	9,815	8,889
Total Employee Compensation and Related Expenses	<u>859,002</u>	<u>723,098</u>
Insurance - general liability, auto and directors	32,059	30,377
Rent expense- in-kind	120,000	120,000
Repairs and maintenance	28,319	21,926
Total Occupancy (including in-kind rent of \$120,000)	<u>180,378</u>	<u>172,303</u>
Professional fees - program	120,047	161,588
Training and development	3,170	3,951
Program travel and transportation	33,403	29,386
Consultant - program - youth stipends	215,180	96,993
Program supplies	39,309	33,305
Equipment rental and maintenance	7,958	6,652
Field trips and special events	8,926	7,691
Hale reservation - summer camp reservation	30,741	25,859
Program administration allocation/mini grants	-	21,120
Food	17,076	16,131
Total Other Program/ Operating Expenses	<u>475,810</u>	<u>402,676</u>
Professional fees - administrative	38,181	27,310
Professional fees - fundraising	43,030	24,879
Advertising - personnel	579	1,731
Meetings	725	1,280
Payroll service	3,201	2,758
Telephone	4,693	6,382
Office supplies	13,293	14,314
Postage and mailings	3,591	1,239
Printing and copying	4,522	1,315
Bank service charges	717	1,165
Inspections and license fees	3,693	2,064
Dues and subscriptions	430	110
Fines and penalties	384	301
Total Administration, Consulting, Professional Fees and Other Expenses	<u>117,039</u>	<u>84,848</u>
Depreciation	<u>33,345</u>	<u>27,632</u>
Total Expenses	<u>\$ 1,665,574</u>	<u>\$ 1,410,557</u>