



THE URBAN LEAGUE OF PHILADELPHIA

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

THE URBAN LEAGUE OF PHILADELPHIA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Urban League of Philadelphia

Report on the Financial Statements

We have audited the accompanying financial statements of The Urban League of Philadelphia, which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of The Urban League of Philadelphia as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

Jenkintown, Pennsylvania
December 6, 2013

THE URBAN LEAGUE OF PHILADELPHIA

Statements of Financial Position

	June 30	
	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets:		
Cash (including CCIS cash of \$3,047,462 in 2013 and \$3,551,525 in 2012)	\$ 3,473,060	\$ 4,252,221
Contributions receivable, net of allowance for doubtful accounts of \$15,078 in 2013 and \$10,214 in 2012	228,370	167,785
Grants and contracts receivable, net of allowance for doubtful accounts of \$5,000 in 2013 and \$7,000 in 2012	652,102	358,664
Security deposits	30,038	30,038
Prepaid expense and other assets	216,766	31,789
Total current assets	4,600,336	4,840,497
Property and equipment , net of accumulated depreciation of \$114,152 in 2013 and \$106,231 in 2012	16,282	7,956
	<u>\$ 4,616,618</u>	<u>\$ 4,848,453</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 260,122	\$ 86,612
Accrued expenses	396,833	438,454
Due to others	2,712,766	3,237,483
Deferred revenue and other liabilities	455,593	126,963
Total current liabilities	3,825,314	3,889,512
NET ASSETS		
Unrestricted	526,598	676,923
Temporarily restricted	264,706	282,018
Total net assets	791,304	958,941
	<u>\$ 4,616,618</u>	<u>\$ 4,848,453</u>

THE URBAN LEAGUE OF PHILADELPHIA

Statements of Activities and Changes in Net Assets

	Year Ended June 30					
	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support and revenue:						
Grants and fees	\$ 38,487,928	\$ 163,875	\$ 38,651,803	\$ 41,680,143	\$ 207,687	\$ 41,887,830
Contributions	337,500	52,171	389,671	283,729	52,171	335,900
Special events	771,304	-	771,304	855,995	-	855,995
Interest income	131	-	131	172	-	172
Other revenue	18,465	-	18,465	13,377	-	13,377
Membership dues	20,744	-	20,744	21,821	-	21,821
	<u>39,636,072</u>	<u>216,046</u>	<u>39,852,118</u>	42,855,237	259,858	43,115,095
Net assets released from restrictions	<u>233,358</u>	<u>(233,358)</u>	<u>-</u>	200,375	(200,375)	-
	<u>39,869,430</u>	<u>(17,312)</u>	<u>39,852,118</u>	<u>43,055,612</u>	<u>59,483</u>	<u>43,115,095</u>
Expenses:						
Program services:						
Advocacy and policy	121,566	-	121,566	62,819	-	62,819
Business and talent diversity	367,624	-	367,624	377,203	-	377,203
Community and economic development	38,555,161	-	38,555,161	41,528,838	-	41,528,838
Support services	975,404	-	975,404	963,841	-	963,841
	<u>40,019,755</u>	<u>-</u>	<u>40,019,755</u>	<u>42,932,701</u>	<u>-</u>	<u>42,932,701</u>
Change in net assets	<u>(150,325)</u>	<u>(17,312)</u>	<u>(167,637)</u>	122,911	59,483	182,394
Net assets at beginning of year	<u>676,923</u>	<u>282,018</u>	<u>958,941</u>	<u>554,012</u>	<u>222,535</u>	<u>776,547</u>
Net assets at end of year	<u>\$ 526,598</u>	<u>\$ 264,706</u>	<u>\$ 791,304</u>	<u>\$ 676,923</u>	<u>\$ 282,018</u>	<u>\$ 958,941</u>

See notes to financial statements

THE URBAN LEAGUE OF PHILADELPHIA

Statement of Functional Expenses
Year Ended June 30, 2013

	Program Services				Support Services			Total Expenses
	Advocacy and Policy	Business and Talent Diversity	Community and Economic Development	Total Program Services	Fund Development	Management Services	Total Support Services	
Salaries	\$ 38,850	\$ 135,145	\$ 2,114,677	\$ 2,288,672	\$ 137,834	\$ 549,266	\$ 687,100	\$ 2,975,772
Benefits and taxes	9,662	48,679	777,535	835,876	28,086	49,649	77,735	913,611
Professional services	37,073	102,800	34,201,111	34,340,984	102,775	88,364	191,139	34,532,123
Meals, travel and meetings	11,323	2,921	22,466	36,710	4,427	22,434	26,861	63,571
Special events	10,444	-	1,334	11,778	111,559	-	111,559	123,337
Office expense	5,500	7,698	224,336	237,534	79,842	18,606	98,448	335,982
Expendable equipment	-	-	91,738	91,738	4,353	44,180	48,533	140,271
Advertising	50	-	17,058	17,108	-	853	853	17,961
Occupancy	-	29,135	314,975	344,110	-	133,890	133,890	478,000
Utilities	440	4,181	63,173	67,794	-	18,593	18,593	86,387
Insurance	-	-	37,526	37,526	-	9,084	9,084	46,610
Scholarships	4,000	-	101,000	105,000	-	-	-	105,000
Other expenses	1,185	23,408	118,927	143,520	11,313	38,376	49,689	193,209
Indirect administrative costs	3,039	13,657	469,305	486,001	-	(486,001)	(486,001)	-
Total expenses before depreciation	121,566	367,624	38,555,161	39,044,351	480,189	487,294	967,483	40,011,834
Depreciation	-	-	-	-	-	7,921	7,921	7,921
Total functional expenses	<u>\$ 121,566</u>	<u>\$ 367,624</u>	<u>\$ 38,555,161</u>	<u>\$ 39,044,351</u>	<u>\$ 480,189</u>	<u>\$ 495,215</u>	<u>\$ 975,404</u>	<u>\$ 40,019,755</u>

THE URBAN LEAGUE OF PHILADELPHIA

**Statement of Functional Expenses
Year Ended June 30, 2012**

	Program Services			Support Services			Total Expenses	
	Advocacy and Policy	Business and Talent Diversity	Community and Economic Development	Total Program Services	Fund Development	Management Services		Total Support Services
Salaries	\$ -	\$ 133,877	\$ 2,006,377	\$ 2,140,254	\$ 136,893	\$ 506,986	\$ 643,879	\$ 2,784,133
Benefits and taxes	-	43,332	648,252	691,584	21,041	100,585	121,626	813,210
Professional services	38,550	97,925	37,672,459	37,808,934	97,934	69,311	167,245	37,976,179
Meals, travel and meetings	6,478	3,253	4,916	14,647	5,343	20,534	25,877	40,524
Special events	10,111	-	160	10,271	112,721	810	113,531	123,802
Office expense	2,500	9,375	126,280	138,155	30,343	19,265	49,608	187,763
Expendable equipment	-	-	55,797	55,797	1,974	33,830	35,804	91,601
Advertising	-	-	-	-	69,500	965	70,465	70,465
Occupancy	-	29,429	302,937	332,366	-	137,632	137,632	469,998
Utilities	465	4,168	52,117	56,750	-	16,184	16,184	72,934
Insurance	-	-	25,024	25,024	400	14,653	15,053	40,077
Interest expense	-	-	8,675	8,675	-	-	-	8,675
Scholarships	-	-	85,500	85,500	-	-	-	85,500
Other expenses	1,113	35,737	94,078	130,928	13,183	11,098	24,281	155,209
Indirect administrative costs	3,602	20,107	446,266	469,975	-	(469,975)	(469,975)	-
Total expenses before depreciation	62,819	377,203	41,528,838	41,968,860	489,332	461,878	951,210	42,920,070
Depreciation	-	-	-	-	-	12,631	12,631	12,631
Total functional expenses	\$ 62,819	\$ 377,203	\$ 41,528,838	\$ 41,968,860	\$ 489,332	\$ 474,509	\$ 963,841	\$ 42,932,701

See notes to financial statements

THE URBAN LEAGUE OF PHILADELPHIA

Statements of Cash Flows

	Year Ended June 30	
	2013	2012
Cash flows from operating activities:		
Change in net assets	\$ (167,637)	\$ 182,394
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	7,921	12,631
(Increase) decrease in assets:		
Contributions receivable	(60,585)	(42,067)
Grants and fees receivable	(293,438)	543
Prepaid expense and other assets	(184,977)	47,004
Increase (decrease) in liabilities:		
Accounts payable	173,510	(80,775)
Accrued expenses	(41,621)	(72,190)
Due to others	(524,717)	(305,056)
Deferred revenue and other liabilities	328,630	29,071
Net cash used in operating activities	(762,914)	(228,445)
Cash flows from investing activities:		
Acquisition of property and equipment	(16,247)	(738)
Net decrease in cash	(779,161)	(229,183)
Cash at beginning of year	4,252,221	4,481,404
Cash at end of year	\$ 3,473,060	\$ 4,252,221

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2013 and 2012

NOTE A - ORGANIZATION AND DESCRIPTION OF PROGRAMS

[1] Organization:

The Urban League of Philadelphia (the "League") is a nonpartisan, nonprofit community service organization using the tools and methods of social work, economics, law, and other disciplines to secure equal opportunity in all sectors of society for African Americans and other people of color.

[2] Description of programs:

Advocacy and Policy

The State of Black Philadelphia is a publication created by The Urban League of Philadelphia. It is a comprehensive look at the persistent disparities that exist between black and white Philadelphians in the five areas of economics, health, education, civic engagement, and social justice.

The Urban League Guild (the "Guild") provides a host of volunteers for special engagements and helps to support the League through annual fundraisers. Among many community service projects, the Guild focuses on those that provide assistance to abused children.

The Network of Extraordinary Talent ("NExT") is a network of young professionals who provide leadership development, economic empowerment, and community volunteer opportunities for other young professionals. The organization trains, develops, and educates young professionals to take leadership roles within the civil rights movement and society at large. Members of NExT are defining, developing, implementing and leading the next generation's civil rights agenda.

Business and Talent Diversity

Through its employment services, the League empowers African Americans and others to connect with self-sustaining employment opportunities either via training opportunities, links to employers, or other employment services.

The Urban Leadership Forum is Philadelphia's first leadership development program for people of color. It is designed to identify and train minority leaders and establish a forum for promoting effective leadership in all sectors of society. Participants must successfully manage a community service project team process, a key component of the Leadership Forum design.

Community and Economic Development

The Child Care Information Services ("CCIS") program is operated in accordance with a contract with the Commonwealth of Pennsylvania, Department of Public Welfare ("DPW"), to administer the subsidized childcare program for the northwest area of Philadelphia County. The League is responsible for determining eligibility for families seeking subsidized childcare funding, managing a waiting list for subsidized childcare funding, and managing the payment system to participating childcare providers. The League is reimbursed by DPW for amounts paid to childcare providers.

Housing counseling is provided to individuals who seek assistance for prepurchase counseling, fair housing rights information, lending practices, money management, credit repair, budgeting, real estate selection, and relief from foreclosures and predatory lending. The League also assists renters with tenant rights. Escrow counseling is available for clients living in substandard housing with licensing and inspection violations. Recognized as one of the City of Philadelphia's 30 endorsed housing agencies, the League conducts advocacy on behalf of low-income families and makes referrals to all government programs.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2013 and 2012

NOTE A - ORGANIZATION AND DESCRIPTION OF PROGRAMS (CONTINUED)

[2] Description of programs (continued):

Community and Economic Development (continued)

The financial literacy program focuses on educating individuals on how to manage their finances responsibly. This program is tailored to both youth and adults.

The League provides services that build and strengthen leadership skills for youth in secondary and post secondary institutions. Youth scholarships are awarded annually to high school seniors and college students to assist in their pursuit of higher education.

National Urban League Conference

The National Urban League selected Philadelphia as the site of its July 2013 national conference. As host of this conference, the League was entitled to receive a portion of the conference's sponsorships to the extent that it assisted in securing revenues for the conference. In addition, the League moved its golf outing from September of 2012 to July of 2013. Revenues received of \$309,000 and expenses incurred of \$169,497 prior to June 30, 2013 for both of these events are included in deferred revenue and prepaid expenses, respectively.

[3] Support services:

Support services include the administrative costs of supporting the League's programs, as well as fundraising costs.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

The League prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

[2] Basis of presentation:

The League accounts for its net assets in three different categories based upon donor-imposed restrictions, if any. A description of net asset categories is as follows:

Unrestricted net assets are those assets that are available for the support of operations and whose use is not subject to donor-imposed restrictions. Their use may be limited by other factors, such as board designations.

In fiscal 2013, the Board authorized the establishment of an operating reserve account to enhance the overall long-term security for the League to fund its programs. The Board designated \$100,000 of its unrestricted net assets for this purpose in fiscal 2013.

Temporarily restricted net assets are those whose use by the League has been limited by donors for a specific purpose or time period.

Permanently restricted net assets represent those resources subject to donor-imposed stipulations that they be maintained permanently by the League. Generally, the donors of these assets permit the League to use all or part of the income earned on related investments, and the net capital appreciation thereon, for general or specific purposes. The League has no permanently restricted net assets.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2013 and 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] Use of estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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 may differ from those estimates.

[4] Revenue recognition:

Grant and fee revenue is generally recognized as expenditures are made for the particular contract or government grant. Grant revenue from private sources is recognized when received.

[5] Contributions:

Contributions are recognized when the donor makes a promise to the League that is unconditional. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. All donor-restricted contributions 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.

[6] Property and equipment:

Purchased property and equipment over \$1,000 are capitalized at cost and depreciated using the straight-line method over their estimated useful lives of three to seven years. Donated property and equipment are capitalized at fair value on the date of acquisition and depreciated using the straight-line method over their estimated useful lives. Repair and maintenance costs are charged to current operations. At the time property and equipment are retired or disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss on disposition is credited or charged to operations.

[7] Deferred revenue:

Deferred revenue consists of advances received for special events that have not yet taken place, unexpired membership dues and certain refundable advances.

[8] Federal tax status:

The Internal Revenue Service ("IRS") has classified the League as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code"); as an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability, if the League has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by the League and has concluded that as of June 30, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2013 and 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[8] Federal tax status (continued):

The League recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for the years ended June 30, 2013 and 2012. The tax returns of the League for the years ended June 30, 2010 through 2013 are or will be subject to examination by the IRS and other various taxing authorities, generally for three years after they are filed.

[9] Allocation of administrative support:

The League's management policy is to allocate the indirect expenses of administrative support to certain programs based on revenues, headcount, or space utilization, depending on the nature of the expense.

NOTE C - CONTRIBUTIONS RECEIVABLE

Contributions receivable are expected to be received in less than one year. Contributions receivable as of June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
United Way allocation	\$ 52,171	\$ 52,171
United Way Donor Option, net of allowance for doubtful accounts of \$15,078 in 2013 of \$10,214 in 2012	18,899	13,744
Special events	157,300	96,870
Other	-	5,000
	<u>\$ 228,370</u>	<u>\$ 167,785</u>

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2013 and 2012

NOTE D - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable as of June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Pennsylvania Department of Public Welfare	\$ 123,476	\$ -
School District of Philadelphia	106,387	9,039
U.S. Small Business Administration	315	23,438
Office of Housing and Community Development, City of Philadelphia	57,295	75,171
Homeowners' Emergency Mortgage Assistance Program ("HEMAP"), Pennsylvania Housing Finance Authority ("PHFA") and Emergency Homeowners' Loan Program ("EHLP")	4,500	1,500
National Urban League/Department of Housing and Urban Development	22,913	-
National Urban League/NeighborWorks	42,000	-
Philadelphia Works	-	24,733
Philadelphia Housing Authority	-	1,958
Grants from corporations	202,846	229,825
Mayor's Office of Community Empowerment and Opportunity	97,370	-
Allowance for doubtful accounts	<u>(5,000)</u>	<u>(7,000)</u>
	<u>\$ 652,102</u>	<u>\$ 358,664</u>

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Furniture, fixtures and equipment	\$ 97,288	\$ 97,288
Software	<u>33,146</u>	<u>16,899</u>
	130,434	114,187
Less accumulated depreciation	<u>114,152</u>	<u>106,231</u>
	<u>\$ 16,282</u>	<u>\$ 7,956</u>

Depreciation for the years ended June 30, 2013 and 2012 was \$7,921 and \$12,631, respectively.

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Notes to Financial Statements June 30, 2013 and 2012

NOTE F - DUE TO OTHERS

Due to others as of June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Due to:		
Pennsylvania Department of Public Welfare, current year	\$ -	\$ 88,132
Pennsylvania Department of Public Welfare, prior year	41,981	38,298
Various daycare providers	<u>2,670,785</u>	<u>3,111,053</u>
	<u>\$ 2,712,766</u>	<u>\$ 3,237,483</u>

NOTE G - DEFERRED REVENUE AND OTHER LIABILITIES

Deferred revenue and other liabilities as of June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
National Conference	\$ 285,000	\$ -
Scholarships	122,750	102,000
Unity Golf Classic	24,000	-
Whitney M. Young Luncheon	15,000	15,200
Memberships and other	<u>8,843</u>	<u>9,763</u>
	<u>\$ 455,593</u>	<u>\$ 126,963</u>

NOTE H - LINE-OF-CREDIT

The League has a line-of-credit of \$3 million with TD Bank. The terms of the line-of-credit agreement provide for an interest rate at 2% above the BBA LIBOR rate (.19% and .243% as of June 30, 2013 and 2012, respectively). The minimum interest rate is 2% per annum. The line-of-credit expires on December 31, 2013 and any outstanding borrowings are collateralized by all accounts receivable balances. As of June 30, 2013, there was no outstanding balance on this line-of-credit. The line-of-credit has a financial covenant relating to a current ratio as defined in the agreement.

There was no interest expense incurred on line-of-credit obligations for the years ended June 30, 2013 and 2012.

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Notes to Financial Statements June 30, 2013 and 2012

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of June 30, 2013 and 2012:

	June 30, 2013			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending Balance</u>
Scholarship funds	\$ 19,660	\$ 100,000	\$ (6,000)	\$ 113,660
Program restricted grants	<u>262,358</u>	<u>116,046</u>	<u>(227,358)</u>	<u>151,046</u>
	<u>\$ 282,018</u>	<u>\$ 216,046</u>	<u>\$ (233,358)</u>	<u>\$ 264,706</u>
	June 30, 2012			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending Balance</u>
Scholarship funds	\$ 26,660	\$ -	\$ (7,000)	\$ 19,660
Program restricted grants	<u>195,875</u>	<u>259,858</u>	<u>(193,375)</u>	<u>262,358</u>
	<u>\$ 222,535</u>	<u>\$ 259,858</u>	<u>\$ (200,375)</u>	<u>\$ 282,018</u>

NOTE J - TAX DEFERRED ANNUITY PLAN

In accordance with Internal Revenue Code Section 403(b), the League sponsors an employer contributory tax deferred annuity plan that covers substantially all employees who have completed 1,000 hours of service. The plan provides for employer discretionary contributions, which are determined on an annual basis. For the years ended June 30, 2013 and 2012, the annual contribution was \$30,218 and \$23,444, respectively, based on 2% of the employees' annual salary.

NOTE K - LEASE COMMITMENTS - OPERATING LEASES

The League currently leases office space in Philadelphia under two operating leases, which expire in March 2014 and June 2016; rent is payable in monthly installments of \$17,115 and \$16,834, respectively. The League also leases office equipment with monthly lease payments ranging from \$667 to \$865; the equipment leases run through 2017.

Approximate minimum future rental payments under noncancelable operating leases having remaining terms in excess of one year as of June 30, 2013 are as follows:

<u>Year Ending June 30</u>	
2014	\$ 442,500
2015	224,600
2016	230,000
2017	<u>15,900</u>
	<u>\$ 913,000</u>

Office rent and equipment leasing expense for the years ended June 30, 2013 and 2012 was \$547,478 and \$508,083, respectively.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2013 and 2012

NOTE L - GRANTS AND FEES

Grants and fees during the years ended June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Pennsylvania Department of Public Welfare	\$ 37,096,081	\$ 40,580,292
Grants from corporations/foundations	606,402	845,675
National Urban League/NeighborWorks	130,892	-
National Urban League/Department of Housing and Urban Development	63,266	-
Mayor's Office of Community Empowerment and Opportunity	97,370	-
Office of Housing and Community Development, City of Philadelphia	223,954	185,066
Philadelphia Works	933	30,000
U.S. Small Business Administration	312	45,836
Homeowners' Emergency Mortgage Assistance Program and PHFA	9,325	3,000
Emergency Homeowners' Loan Program	-	5,500
Leadership tuition	97,500	101,500
Philadelphia Housing Authority	-	1,958
School District of Philadelphia	269,731	9,038
Career Services fee income	6,837	1,215
Other	49,200	78,750
	<u>\$ 38,651,803</u>	<u>\$ 41,887,830</u>

NOTE M - CONTRIBUTIONS

Contributions during the years ended June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
United Way Allocation	\$ 52,171	\$ 52,342
United Way Donor Option	58,385	51,668
Scholarships	199,650	86,429
Corporate support	27,964	93,850
Foundations	10,000	11,000
Other	41,501	40,611
	<u>\$ 389,671</u>	<u>\$ 335,900</u>

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2013 and 2012

NOTE N - SPECIAL EVENTS

Special events during the years ended June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Gala	\$ 659,355	\$ 706,521
Unity Golf Classic	-	40,690
Whitney M. Young Luncheon	89,350	85,544
Guild events	21,642	23,240
NExT Philadelphia events	957	-
	<u>\$ 771,304</u>	<u>\$ 855,995</u>

NOTE O - CONCENTRATIONS OF CREDIT RISK

As of June 30, 2013 and 2012, the League maintained cash accounts with a bank that exceeded the limit of insurability under the Federal Deposit Insurance Corporation. The League has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on its cash balances.

Approximately 93% and 94% of the League's revenue for the years ended June 30, 2013 and 2012, respectively, are provided by one grantor, the Pennsylvania Department of Public Welfare. There could be a significant impact on the League and its ability to continue its operations should funding from this grantor diminish.

NOTE P - CONTRIBUTED SERVICES

Contribution of services is recognized by the League as both revenue and expense in the accompanying statements of activities and changes in net assets, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. For the years ended June 30, 2013 and 2012, the League recognized \$91,272 and \$87,751, respectively, of in-kind contributions. In-kind contributions include advertising received in connection with fundraising events and legal fees, which are included in special events and contributions revenue on the statements of activities and changes in net assets.

NOTE Q - SUBSEQUENT EVENTS

The League has evaluated subsequent events through December 6, 2013, which is the date the financial statements were available to be issued.