



THE URBAN LEAGUE OF PHILADELPHIA

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

THE URBAN LEAGUE OF PHILADELPHIA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Urban League of Philadelphia

We have audited the accompanying statements of financial position of The Urban League of Philadelphia as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for each of the years then ended. These financial statements are the responsibility of The Urban League of Philadelphia's management. 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 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 the organization'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 financial statements and 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 The Urban League of Philadelphia as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

Jenkintown, Pennsylvania
December 7, 2012

THE URBAN LEAGUE OF PHILADELPHIA

Statements of Financial Position

	June 30	
	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets:		
Cash (including CCIS cash of \$3,551,525 in 2012 and \$4,041,445 in 2011)	\$ 4,252,221	\$ 4,481,404
Contributions receivable, net of allowance for doubtful accounts of \$10,214 in 2012 and \$6,624 in 2011	167,785	125,718
Grants and contracts receivable	358,664	359,207
Security deposits	30,038	30,038
Prepaid expense and other assets	31,789	78,793
Total current assets	4,840,497	5,075,160
Property and equipment , net of accumulated depreciation of \$106,231 in 2012 and \$93,599 in 2011	<u>7,956</u>	<u>19,849</u>
TOTAL ASSETS	<u>\$ 4,848,453</u>	<u>\$ 5,095,009</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 86,612	\$ 167,387
Accrued expenses	438,454	510,644
Due to others	3,237,483	3,542,539
Deferred revenue and other liabilities	126,963	97,892
Total current liabilities	<u>3,889,512</u>	<u>4,318,462</u>
NET ASSETS		
Unrestricted	676,923	554,012
Temporarily restricted	<u>282,018</u>	<u>222,535</u>
Total net assets	<u>958,941</u>	<u>776,547</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,848,453</u>	<u>\$ 5,095,009</u>

THE URBAN LEAGUE OF PHILADELPHIA

Statements of Activities and Changes in Net Assets

	Year Ended June 30					
	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support and revenue:						
Grants and fees	\$ 41,680,143	\$ 207,687	\$ 41,887,830	\$ 43,762,109	\$ 126,875	\$ 43,888,984
Contributions	283,729	52,171	335,900	413,733	63,000	476,733
Special events	855,995	-	855,995	752,874	-	752,874
Interest income	172	-	172	181	-	181
Other revenue	13,377	-	13,377	15,933	-	15,933
Membership dues	21,821	-	21,821	24,195	-	24,195
	<u>42,855,237</u>	<u>259,858</u>	<u>43,115,095</u>	<u>44,969,025</u>	<u>189,875</u>	<u>45,158,900</u>
Net assets released from restrictions	<u>200,375</u>	<u>(200,375)</u>	<u>-</u>	<u>158,237</u>	<u>(158,237)</u>	<u>-</u>
	<u>43,055,612</u>	<u>59,483</u>	<u>43,115,095</u>	<u>45,127,262</u>	<u>31,638</u>	<u>45,158,900</u>
Expenses:						
Program services:						
Advocacy and policy	62,819	-	62,819	67,342	-	67,342
Business and talent diversity	377,203	-	377,203	382,042	-	382,042
Community and economic development	41,528,838	-	41,528,838	43,457,638	-	43,457,638
Support services	963,841	-	963,841	909,872	-	909,872
	<u>42,932,701</u>	<u>-</u>	<u>42,932,701</u>	<u>44,816,894</u>	<u>-</u>	<u>44,816,894</u>
Changes in net assets	<u>122,911</u>	<u>59,483</u>	<u>182,394</u>	<u>310,368</u>	<u>31,638</u>	<u>342,006</u>
Net assets at beginning of year	<u>554,012</u>	<u>222,535</u>	<u>776,547</u>	<u>243,644</u>	<u>190,897</u>	<u>434,541</u>
Net assets at end 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>

See notes to financial statements

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
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

THE URBAN LEAGUE OF PHILADELPHIA

**Statement of Functional Expenses
Year Ended June 30, 2011**

	<u>Program Services</u>			<u>Support Services</u>			<u>Total Expenses</u>	
	<u>Advocacy and Policy</u>	<u>Business and Talent Diversity</u>	<u>Community and Economic Development</u>	<u>Total Program Services</u>	<u>Fund Development</u>	<u>Management Services</u>		<u>Total Support Services</u>
Salaries	\$ 750	\$ 134,780	\$ 2,459,286	\$ 2,594,816	\$ 123,181	\$ 444,578	\$ 567,759	\$ 3,162,575
Benefits and taxes	189	44,049	720,474	764,712	21,043	115,796	136,839	901,551
Professional services	32,800	105,074	39,017,756	39,155,630	90,297	50,270	140,567	39,296,197
Meals, travel and meetings	9,847	2,234	4,781	16,862	10,204	16,006	26,210	43,072
Special events	11,600	-	-	11,600	110,756	263	111,019	122,619
Office expense	3,602	11,920	139,273	154,795	75,437	20,357	95,794	250,589
Equipment	-	-	82,593	82,593	1,948	46,102	48,050	130,643
Advertising	-	-	-	-	-	120	120	120
Occupancy	-	28,694	352,453	381,147	-	127,635	127,635	508,782
Utilities	120	2,536	60,738	63,394	-	16,911	16,911	80,305
Insurance	-	-	36,849	36,849	956	12,668	13,624	50,473
Scholarships	2,000	-	62,500	64,500	-	-	-	64,500
Other expenses	5,975	27,105	120,889	153,969	5,272	34,559	39,831	193,800
Indirect administrative costs	459	25,650	400,046	426,155	-	(426,155)	(426,155)	-
Total expenses before depreciation	67,342	382,042	43,457,638	43,907,022	439,094	459,110	898,204	44,805,226
Depreciation	-	-	-	-	-	11,668	11,668	11,668
Total functional expenses	<u>\$ 67,342</u>	<u>\$ 382,042</u>	<u>\$ 43,457,638</u>	<u>\$ 43,907,022</u>	<u>\$ 439,094</u>	<u>\$ 470,778</u>	<u>\$ 909,872</u>	<u>\$ 44,816,894</u>

THE URBAN LEAGUE OF PHILADELPHIA

Statements of Cash Flows

	Year Ended June 30	
	2012	2011
Cash flows from operating activities:		
Changes in net assets	\$ 182,394	\$ 342,006
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	12,631	11,668
(Increase) decrease in assets:		
Contributions receivable	(42,067)	53,628
Grants and fees receivable	543	(65,504)
Security deposits	-	(666)
Prepaid expense and other assets	47,004	35,772
Increase (decrease) in liabilities:		
Accounts payable	(80,775)	34,069
Accrued expenses	(72,190)	170,461
Due to others	(305,056)	(575,653)
Tenant escrow deposits	-	(511)
Deferred revenue and other liabilities	29,071	9,798
Net cash provided by (used in) operating activities	(228,445)	15,068
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(738)	(3,170)
Net increase (decrease) in cash	(229,183)	11,898
Cash at beginning of year	4,481,404	4,469,506
Cash at end of year	\$ 4,252,221	\$ 4,481,404

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2012 and 2011

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 believed to be 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, 2012 and 2011

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. These programs are 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.

[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.

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.

[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.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2012 and 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[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.

Funding for certain furniture, fixtures, and equipment is provided under contract with DPW. Pursuant to policies promulgated by DPW, assets purchased by the League that were reimbursed with DPW funds remain DPW property. Accordingly, expenditures for such items are included in the statements of activities and changes in net assets rather than being capitalized and depreciated.

[7] Deferred revenue:

Deferred revenues consist 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 for Uncertainty in Income Taxes clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The League has analyzed the tax positions taken by the organization, and has concluded that as of June 30, 2012 and 2011, 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 League recognizes accrued interest and penalties associated with uncertain tax positions, if any, as part of the income tax provision. There was no income tax related interest and penalties recorded for the years ended June 30, 2012 and 2011.

The income tax returns of the League for the years ended June 30, 2009, 2010 and 2011 are subject to examination by the IRS and other taxing authorities, generally for three years after they were 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.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2012 and 2011

NOTE C - CONTRIBUTIONS RECEIVABLE

Contributions receivable are expected to be received in less than one year. Contributions receivable as of June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
United Way allocation	\$ 52,171	\$ 52,000
United Way Donor Option, net of allowance for doubtful amounts of \$10,214 in 2012 and \$6,624 in 2011	13,744	19,723
Special events	96,870	42,845
Other	5,000	11,150
	<u>\$ 167,785</u>	<u>\$ 125,718</u>

NOTE D - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable as of June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Pennsylvania Department of Public Welfare	\$ -	\$ 5,156
School District of Philadelphia	9,039	12,100
U.S. Small Business Administration	23,438	73,341
Office of Housing and Community Development, City of Philadelphia	75,171	28,443
Homeowners' Emergency Mortgage Assistance Program ("HEMAP"), Pennsylvania Housing Finance Authority ("PHFA") and Emergency Homeowners' Loan Program ("EHLP")	1,500	875
National Urban League/Neighborhoods	-	2,000
Philadelphia Workforce Development Corporation, net of allowance for doubtful accounts of \$2,000 in 2012	22,733 1,958	18,000 58,616
Philadelphia Housing Authority Grants from corporations, net of allowance for doubtful accounts of \$5,000 in 2012 and 2011	224,825	160,635
Other	-	41
	<u>\$ 358,664</u>	<u>\$ 359,207</u>

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2012 and 2011

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Furniture, fixtures and equipment	\$ 97,288	\$ 96,549
Software	<u>16,899</u>	<u>16,899</u>
	114,187	113,448
Less accumulated depreciation	<u>106,231</u>	<u>93,599</u>
	<u>\$ 7,956</u>	<u>\$ 19,849</u>

Depreciation for the years ended June 30, 2012 and 2011 was \$12,631 and \$11,668, respectively.

NOTE F - DUE TO OTHERS

Due to others as of June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Due to:		
Pennsylvania Department of Public Welfare, current year	\$ 88,132	\$ 55,776
Pennsylvania Department of Public Welfare, prior year	38,298	38,298
Various daycare providers	<u>3,111,053</u>	<u>3,448,465</u>
	<u>\$ 3,237,483</u>	<u>\$ 3,542,539</u>

NOTE G - LINE-OF-CREDIT

In March 2012, the League obtained 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 LIBOR rate (.243% as of June 30, 2012). The minimum interest rate is 2% per annum. The line-of-credit expires on March 1, 2013 and any outstanding borrowings are collateralized by all accounts receivable balances. As of June 30, 2012, 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.

The League had a line-of-credit of \$9 million which expired on December 31, 2011. The terms of the line-of-credit agreement provided for an interest rate at prime (prime was 3.25% as of June 30, 2011) plus 0.75% on outstanding balances. As of June 30, 2011, there was no outstanding balance on this line-of-credit.

There was no interest expense incurred on line-of-credit obligations for the years ended June 30, 2012 and 2011, respectively.

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2012 and 2011

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Scholarship funds	\$ 19,660	\$ 26,660
Program restricted grants	<u>262,358</u>	<u>195,875</u>
	<u>\$ 282,018</u>	<u>\$ 222,535</u>

Temporarily restricted net assets that were released from restrictions during the years ended June 30, 2012 and 2011 consisted of:

	<u>2012</u>	<u>2011</u>
Scholarship funds	\$ 7,000	\$ 15,403
Program restricted grants	<u>193,375</u>	<u>142,834</u>
	<u>\$ 200,375</u>	<u>\$ 158,237</u>

NOTE I - TAX DEFERRED ANNUITY PLAN

In accordance with Internal Revenue Code 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, 2012 and 2011, the annual contribution was \$23,444 and \$26,852, respectively, based on 2% of the employees' annual salary.

NOTE J - LEASE COMMITMENTS - OPERATING LEASES

The League currently leases office space in Philadelphia under two operating leases, which expire in June 2014 and June 2013; rent is payable in monthly installments of \$16,306 and \$17,168, respectively. The League also leases office equipment with monthly lease payments ranging from \$812 to \$1,394; 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, 2012 are as follows:

<u>Year Ending June 30</u>	
2013	\$ 461,300
2014	232,400
2015	10,400
2016	10,400
2017	<u>7,800</u>
	<u>\$ 722,300</u>

Office rent and equipment leasing expense for the years ended June 30, 2012 and 2011 was \$508,083 and \$535,644, respectively.

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Notes to Financial Statements June 30, 2012 and 2011

NOTE K - GRANTS AND FEES

Grants and fees during the years ended June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Pennsylvania Department of Public Welfare	\$ 40,580,292	\$ 42,697,087
Grants from corporations/foundations	845,675	608,613
Office of Housing and Community Development, City of Philadelphia	185,066	137,790
Philadelphia Workforce Development Corporation	30,000	58,000
U.S. Small Business Administration	45,836	95,740
Homeowners' Emergency Mortgage Assistance Program and PHFA	3,000	4,000
Emergency Homeowners' Loan Program	5,500	-
Leadership tuition	101,500	66,100
Philadelphia Housing Authority	1,958	106,137
School District of Philadelphia	9,038	-
Career Services fee income	1,215	8,291
Other	78,750	107,226
	<u>\$ 41,887,830</u>	<u>\$ 43,888,984</u>

NOTE L - CONTRIBUTIONS

Contributions during the years ended June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
United Way Allocation	\$ 52,342	\$ 52,000
United Way Donor Option	51,668	44,736
Scholarships	86,429	54,925
Corporate support	93,850	245,593
Foundations	11,000	6,000
Other	40,611	73,479
	<u>\$ 335,900</u>	<u>\$ 476,733</u>

THE URBAN LEAGUE OF PHILADELPHIA

Notes to Financial Statements June 30, 2012 and 2011

NOTE M - SPECIAL EVENTS

Special events during the years ended June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Gala	\$ 706,521	\$ 627,693
Unity Golf Classic	40,690	53,197
Whitney M. Young Luncheon	85,544	45,320
Guild events	<u>23,240</u>	<u>26,664</u>
	<u>\$ 855,995</u>	<u>\$ 752,874</u>

NOTE N - CONCENTRATIONS OF CREDIT RISK

As of June 30, 2012 and 2011, 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 cash and cash equivalents.

Approximately 94% and 95% of the League's revenue for the years ended June 30, 2012 and 2011, 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 O - 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 non-financial 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, 2012 and 2011, the League recognized \$87,751 and \$104,878, respectively, in 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 P - SUBSEQUENT EVENTS

The League has evaluated subsequent events through December 7, 2012, which is the date the financial statements were available to be issued.