
**THE URBAN LEAGUE OF
METROPOLITAN ST. LOUIS, INC.**
*FINANCIAL STATEMENTS
DECEMBER 31, 2014*



**Urban League
of Metropolitan St. Louis, Inc.**

Empowering Communities. Changing Lives.

Contents

| | Page |
|---|-------------|
| Independent Auditors' Report | 1 - 2 |
| Financial Statements | |
| Statements Of Financial Position | 3 - 4 |
| Statements Of Activities | 5 - 6 |
| Statements Of Functional Expenses..... | 7 - 8 |
| Statement Of Cash Flows..... | 9 |
| Notes To Financial Statements..... | 10 - 27 |
| Supplementary Information | |
| Independent Auditors' Report On Supplementary Information | 28 |
| Combining Statement Of Financial Position Information Unrestricted Operational | 29 |
| Combining Statement Of Financial Position Information Unrestricted Contractual | 30 - 34 |
| Combining Statement Of Activities And Changes In Net Assets Information - Unrestricted Operational | 35 |
| Combining Statement Of Activities And Changes In Net Assets Information - Unrestricted Contractual | 36 - 40 |
| Schedule Of Indirect Cost Rate | 41 |
| Notes To Schedule Of Indirect Cost Rate | 42 |

Contents

| | Page |
|--|-------------|
| Weatherization Program Schedule Of Revenue And Expenditures | 43 |
| Weatherization Program Fund Balance Reconciliation..... | 44 |
| Schedule Of Expenditures Of Federal Awards..... | 45 - 47 |
| Notes To Schedule Of Expenditures Of Federal Awards | 48 |
| Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> | 49 - 50 |
| Independent Auditors' Report On Compliance For Each Major Program And Report On Internal Control Over Compliance Required By OMB Circular A-133 | 51 - 53 |
| Schedule Of Findings And Questioned Costs | 54 - 55 |
| Summary Schedule Of Prior Audit Findings..... | 56 |

Independent Auditors' Report

Audit and Finance Committee
The Urban League of Metropolitan St. Louis, Inc.
St. Louis, Missouri

Report On Financial Statements

We have audited the accompanying financial statements of The Urban League of Metropolitan St. Louis, Inc., which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for 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.

Auditors' 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 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 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 auditors' 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Urban League of Metropolitan St. Louis, Inc. as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015 on our consideration of The Urban League of Metropolitan St. Louis, Inc.'s internal control over financial reporting and on our tests 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Urban League of Metropolitan St. Louis, Inc.'s internal control over financial reporting and compliance.

RubinBrown LLP

June 29, 2015

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

STATEMENT OF FINANCIAL POSITION December 31, 2014

| | <u>Unrestricted Additional Information</u> | | | Total Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|--|---------------------|------------------------------|-----------------------|---------------------------|---------------------------|---------------------|
| | Operational | Contractual | Property And Equipment | | | | |
| Assets | | | | | | | |
| Cash and temporary investments | \$ 1,663,314 | \$ 1,900 | \$ — | \$ 1,665,214 | \$ — | \$ — | \$ 1,665,214 |
| Accounts receivable, net of allowance for doubtful accounts of \$47,673 | 3,545 | 1,356,460 | — | 1,360,005 | — | — | 1,360,005 |
| Pledges receivable, net | 347,493 | — | — | 347,493 | 1,774,864 | — | 2,122,357 |
| Prepaid expenses | 239,271 | 48,606 | — | 287,877 | — | — | 287,877 |
| Due from (to) other funds | (618,246) | (192,686) | — | (810,932) | 740,111 | 70,821 | — |
| Investments | 601,668 | — | — | 601,668 | 229,022 | 593,983 | 1,424,673 |
| Property and equipment, net | — | — | 1,219,479 | 1,219,479 | — | — | 1,219,479 |
| Total Assets | \$ 2,237,045 | \$ 1,214,280 | \$ 1,219,479 | \$ 4,670,804 | \$ 2,743,997 | \$ 664,804 | \$ 8,079,605 |
| Liabilities | | | | | | | |
| Accounts payable and accrued expenses | \$ 262,743 | \$ 438,498 | \$ — | \$ 701,241 | \$ — | \$ 19,000 | \$ 720,241 |
| Accrued payroll and related taxes | 105,069 | 162,962 | — | 268,031 | — | — | 268,031 |
| Accrued pension liability | 48,725 | — | — | 48,725 | — | — | 48,725 |
| Deferred revenue | — | 609,534 | — | 609,534 | — | — | 609,534 |
| Note payable | 100,537 | — | — | 100,537 | — | — | 100,537 |
| Total Liabilities | 517,074 | 1,210,994 | — | 1,728,068 | — | 19,000 | 1,747,068 |
| Net Assets | 1,719,971 | 3,286 | 1,219,479 | 2,942,736 | 2,743,997 | 645,804 | 6,332,537 |
| Total Liabilities And Net Assets | \$ 2,237,045 | \$ 1,214,280 | \$ 1,219,479 | \$ 4,670,804 | \$ 2,743,997 | \$ 664,804 | \$ 8,079,605 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2013

| | <u>Unrestricted Additional Information</u> | | | Total Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|--|---------------------|------------------------------|-----------------------|---------------------------|---------------------------|---------------------|
| | Operational | Contractual | Property And Equipment | | | | |
| Assets | | | | | | | |
| Cash and temporary investments | \$ 2,206,877 | \$ 1,900 | \$ — | \$ 2,208,777 | \$ 6,290 | \$ 38,429 | \$ 2,253,496 |
| Accounts receivable, net of allowance for doubtful accounts of \$41,737 | 110,074 | 894,006 | — | 1,004,080 | — | — | 1,004,080 |
| Pledges receivable, net | 1,051,794 | — | — | 1,051,794 | 1,809,533 | — | 2,861,327 |
| Prepaid expenses | 196,003 | 71,904 | — | 267,907 | — | — | 267,907 |
| Due from (to) other funds | (1,602,627) | 847,474 | — | (755,153) | 667,332 | 87,821 | — |
| Investments | — | — | — | — | 218,414 | 508,995 | 727,409 |
| Property and equipment, net | — | — | 1,445,924 | 1,445,924 | — | — | 1,445,924 |
| Total Assets | \$ 1,962,121 | \$ 1,815,284 | \$ 1,445,924 | \$ 5,223,329 | \$ 2,701,569 | \$ 635,245 | \$ 8,560,143 |
| Liabilities | | | | | | | |
| Accounts payable and accrued expenses | \$ 166,417 | \$ 301,112 | \$ — | \$ 467,529 | \$ — | \$ 21,000 | \$ 488,529 |
| Accrued payroll and related taxes | 57,035 | 144,449 | — | 201,484 | — | — | 201,484 |
| Accrued pension liability | 28,286 | — | — | 28,286 | — | — | 28,286 |
| Deferred revenue | — | 1,366,437 | — | 1,366,437 | — | — | 1,366,437 |
| Note payable | 117,258 | — | — | 117,258 | — | — | 117,258 |
| Total Liabilities | 368,996 | 1,811,998 | — | 2,180,994 | — | 21,000 | 2,201,994 |
| Net Assets | 1,593,125 | 3,286 | 1,445,924 | 3,042,335 | 2,701,569 | 614,245 | 6,358,149 |
| Total Liabilities And Net Assets | \$ 1,962,121 | \$ 1,815,284 | \$ 1,445,924 | \$ 5,223,329 | \$ 2,701,569 | \$ 635,245 | \$ 8,560,143 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2014

| | Operational | Contractual | Property And Equipment | Total Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|-------------------|---------------------------|-----------------------|---------------------------|---------------------------|---------------------|
| Support And Revenue | | | | | | | |
| Public Support: | | | | | | | |
| Contributions and special purpose revenue | \$ 341,298 | \$ 1,701,422 | \$ — | \$ 2,042,720 | \$ 1,766,090 | \$ — | \$ 3,808,810 |
| United Way of Greater St. Louis: 2014 | 1,356,676 | — | — | 1,356,676 | (1,356,676) | — | — |
| United Way of Greater St. Louis: 2015 | — | — | — | — | 1,255,468 | — | 1,255,468 |
| Unassociated fund raising | — | — | — | — | — | — | — |
| Special events income - net of expenses | 315,804 | — | — | 315,804 | — | — | 315,804 |
| Membership dues | 88,034 | — | — | 88,034 | — | — | 88,034 |
| Net assets released from restrictions | 697,752 | 950,309 | — | 1,648,061 | (1,633,061) | (15,000) | — |
| Total Public Support | 2,799,564 | 2,651,731 | — | 5,451,295 | 31,821 | (15,000) | 5,468,116 |
| Grants from Governmental Agencies | 205,076 | 12,638,196 | — | 12,843,272 | — | — | 12,843,272 |
| Other Revenue: | | | | | | | |
| Investment income | 33,650 | — | — | 33,650 | 10,607 | 46,559 | 90,816 |
| Miscellaneous | 1,090 | — | — | 1,090 | — | — | 1,090 |
| Total Other Revenue | 34,740 | — | — | 34,740 | 10,607 | 46,559 | 91,906 |
| Total Support And Revenue | 3,039,380 | 15,289,927 | — | 18,329,307 | 42,428 | 31,559 | 18,403,294 |
| Expenses | | | | | | | |
| Program Services: | | | | | | | |
| Economic empowerment | 457,509 | 3,685,694 | 89,044 | 4,232,247 | — | — | 4,232,247 |
| Basic needs | 1,045,948 | 4,232,579 | 11,337 | 5,289,864 | — | — | 5,289,864 |
| Education | 15,500 | 7,300,673 | 44,450 | 7,360,623 | — | — | 7,360,623 |
| Total Program Services | 1,518,957 | 15,218,946 | 144,831 | 16,882,734 | — | — | 16,882,734 |
| Supporting Services: | | | | | | | |
| Management and general | 873,505 | — | 118,549 | 992,054 | — | — | 992,054 |
| Fundraising and communications | 491,556 | — | — | 491,556 | — | — | 491,556 |
| Total Supporting Services | 1,365,061 | — | 118,549 | 1,483,610 | — | — | 1,483,610 |
| Total Expenses | 2,884,018 | 15,218,946 | 263,380 | 18,366,344 | — | — | 18,366,344 |
| Change In Net Assets From Operating Activities | 155,362 | 70,981 | (263,380) | (37,037) | 42,428 | 31,559 | 36,950 |
| Pension-Related Benefits (Costs) Other Than Net Periodic Pension Costs | (14,037) | (48,525) | — | (62,562) | — | — | (62,562) |
| Change In Net Assets | 141,325 | 22,456 | (263,380) | (99,599) | 42,428 | 31,559 | (25,612) |
| Transfers | (14,479) | (22,456) | 36,935 | — | — | — | — |
| Net Assets - Beginning Of Year | 1,593,125 | 3,286 | 1,445,924 | 3,042,335 | 2,701,569 | 614,245 | 6,358,149 |
| Net Assets - End Of Year | \$ 1,719,971 | \$ 3,286 | \$ 1,219,479 | \$ 2,942,736 | \$ 2,743,997 | \$ 645,804 | \$ 6,332,537 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2013

| | Operational | Contractual | Property And Equipment | Total Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|-------------------|---------------------------|-----------------------|---------------------------|---------------------------|---------------------|
| Support And Revenue | | | | | | | |
| Public Support: | | | | | | | |
| Contributions and special purpose revenue | \$ 1,841,023 | \$ 1,586,566 | \$ — | \$ 3,427,589 | \$ 1,625,022 | \$ — | \$ 5,052,611 |
| United Way of Greater St. Louis: 2013 | 1,263,696 | — | — | 1,263,696 | (1,263,696) | — | — |
| United Way of Greater St. Louis: 2014 | — | — | — | — | 1,268,696 | — | 1,268,696 |
| Unassociated fund raising | 5,541 | 250 | — | 5,791 | — | — | 5,791 |
| Special events income - net of expenses | 145,882 | — | — | 145,882 | — | — | 145,882 |
| Membership dues | 87,107 | — | — | 87,107 | — | — | 87,107 |
| Net assets released from restrictions | 366,706 | 1,240,332 | — | 1,607,038 | (1,587,038) | (20,000) | — |
| Total Public Support | 3,709,955 | 2,827,148 | — | 6,537,103 | 42,984 | (20,000) | 6,560,087 |
| Grants from Governmental Agencies | 259,788 | 11,995,855 | — | 12,255,643 | — | — | 12,255,643 |
| Other Revenue: | | | | | | | |
| Investment income | 1,270 | — | — | 1,270 | 1 | 20,380 | 21,651 |
| Miscellaneous | 260 | — | — | 260 | — | — | 260 |
| Total Other Revenue | 1,530 | — | — | 1,530 | 1 | 20,380 | 21,911 |
| Total Support And Revenue | 3,971,273 | 14,823,003 | — | 18,794,276 | 42,985 | 380 | 18,837,641 |
| Expenses | | | | | | | |
| Program Services: | | | | | | | |
| Economic empowerment | 381,318 | 4,629,096 | 142,557 | 5,152,971 | — | — | 5,152,971 |
| Basic needs | 982,856 | 3,232,985 | 11,337 | 4,227,178 | — | — | 4,227,178 |
| Education | — | 7,104,271 | 57,447 | 7,161,718 | — | — | 7,161,718 |
| Total Program Services | 1,364,174 | 14,966,352 | 211,341 | 16,541,867 | — | — | 16,541,867 |
| Supporting Services: | | | | | | | |
| Management and general | 943,310 | — | 125,400 | 1,068,710 | — | — | 1,068,710 |
| Fundraising and communications | 307,647 | — | — | 307,647 | — | — | 307,647 |
| Total Supporting Services | 1,250,957 | — | 125,400 | 1,376,357 | — | — | 2,752,714 |
| Total Expenses | 2,615,131 | 14,966,352 | 336,741 | 17,918,224 | — | — | 17,918,224 |
| Change In Net Assets From Operating Activities | 1,356,142 | (143,349) | (336,741) | 876,052 | 42,985 | 380 | 919,417 |
| Pension-Related Benefits (Costs) Other Than Net Periodic Pension Costs | 26,238 | 143,349 | — | 169,587 | — | — | 169,587 |
| Change In Net Assets | 1,382,380 | — | (336,741) | 1,045,639 | 42,985 | 380 | 1,089,004 |
| Transfers | (23,616) | — | 23,616 | — | — | — | — |
| Net Assets - Beginning Of Year | 234,361 | 3,286 | 1,759,049 | 1,996,696 | 2,658,584 | 613,865 | 5,269,145 |
| Net Assets - End Of Year | \$ 1,593,125 | \$ 3,286 | \$ 1,445,924 | \$ 3,042,335 | \$ 2,701,569 | \$ 614,245 | \$ 6,358,149 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES For The Year Ended December 31, 2014

| | Program Services | | | | Supporting Services | | |
|--|-------------------------|---------------------|---------------------|----------------------|---------------------------|--------------------------------------|----------------------|
| | Economic Empowerment | Basic Needs | Education | Total | Management And General | Fundraising And Communications | Total |
| Expenses | | | | | | | |
| Salaries | \$ 1,548,228 | \$ 695,037 | \$ 2,696,338 | \$ 4,939,603 | \$ 1,267,229 | \$ 296,786 | \$ 6,503,618 |
| Employee health and retirement benefits | 249,133 | 116,968 | 536,569 | 902,670 | 249,689 | 35,936 | 1,188,295 |
| Payroll taxes | 191,843 | 63,270 | 374,548 | 629,661 | 184,197 | 21,536 | 835,394 |
| Assistance to individuals | 1,040,737 | 3,690,714 | 391,564 | 5,123,015 | — | — | 5,123,015 |
| Occupancy | 890 | 354,754 | 1,153,778 | 1,509,422 | 240,385 | 16,500 | 1,766,307 |
| Supplies | 63,464 | 31,823 | 138,341 | 233,628 | 76,815 | 15,820 | 326,263 |
| Professional fees | 58,400 | 12,360 | 501,490 | 572,250 | 161,490 | 13,400 | 747,140 |
| Local transportation | 31,011 | 2,805 | 357,042 | 390,858 | 16,083 | — | 406,941 |
| Equipment purchases | — | 916 | 864 | 1,780 | 2,018 | — | 3,798 |
| Telephone | 18,081 | 23,015 | 33,252 | 74,348 | 18,494 | 2,126 | 94,968 |
| Awards and grants | — | — | 26,750 | 26,750 | 8,962 | — | 35,712 |
| Conferences/meetings | 136,328 | 27,753 | 45,641 | 209,722 | 78,725 | 23,458 | 311,905 |
| Travel | 10,924 | 13,059 | 2,883 | 26,866 | 24,843 | 2,940 | 54,649 |
| Rental and equipment maintenance | 42,661 | 66,548 | 61,160 | 170,369 | 116,800 | 3,964 | 291,133 |
| Printing and publications | 26,534 | — | 46,573 | 73,107 | 11,439 | 41,787 | 126,333 |
| Insurance | 65,829 | 19,506 | 69,470 | 154,805 | — | — | 154,805 |
| Postage and shipping | 4,526 | 5,461 | 2,460 | 12,447 | 5,788 | 1,464 | 19,699 |
| Miscellaneous | 2,144 | 6,653 | 19,020 | 27,817 | 40,429 | 15,739 | 83,985 |
| Membership dues | — | — | 1,500 | 1,500 | 12,404 | 100 | 14,004 |
| Dues to national organizations | — | — | — | — | 15,000 | — | 15,000 |
| Total | 3,490,733 | 5,130,642 | 6,459,243 | 15,080,618 | 2,530,790 | 491,556 | 18,102,964 |
| Allocation of depreciation | 89,044 | 11,337 | 44,450 | 144,831 | 118,549 | — | 263,380 |
| Allocation of administrative costs | 652,470 | 147,885 | 856,930 | 1,657,285 | (1,657,285) | — | — |
| Total Expenses | \$ 4,232,247 | \$ 5,289,864 | \$ 7,360,623 | \$ 16,882,734 | \$ 992,054 | \$ 491,556 | \$ 18,366,344 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2013**

| | Program Services | | | | Supporting Services | | |
|---|-------------------------|----------------|--------------|---------------|---------------------------|--------------------------------------|---------------|
| | Economic Empowerment | Basic Needs | Education | Total | Management And General | Fundraising And Communications | Total |
| Expenses | | | | | | | |
| Salaries | \$ 1,836,089 | \$ 544,635 | \$ 2,626,469 | \$ 5,007,193 | \$ 1,369,018 | \$ 200,265 | \$ 6,576,476 |
| Employee health and retirement benefits | 204,533 | 92,623 | 490,686 | 787,842 | 233,536 | 29,054 | 1,050,432 |
| Payroll taxes | 259,259 | 65,076 | 348,434 | 672,769 | 179,176 | 22,138 | 874,083 |
| Assistance to individuals | 1,487,144 | 2,850,089 | 399,256 | 4,736,489 | 6,488 | — | 4,742,977 |
| Occupancy | 6,098 | 343,901 | 1,093,813 | 1,443,812 | 199,877 | 16,500 | 1,660,189 |
| Supplies | 71,544 | 20,247 | 98,624 | 190,415 | 71,401 | 5,939 | 267,755 |
| Professional fees | 136,874 | 10,556 | 518,087 | 665,517 | 295,608 | 208 | 961,333 |
| Local transportation | 20,021 | 2,202 | 346,467 | 368,690 | 14,506 | — | 383,196 |
| Equipment purchases | — | 916 | 864 | 1,780 | 3,465 | — | 5,245 |
| Telephone | 20,167 | 17,652 | 31,033 | 68,852 | 22,073 | 1,552 | 92,477 |
| Awards and grants | — | — | 22,000 | 22,000 | 7,157 | — | 29,157 |
| Conferences/meetings | 83,437 | 29,014 | 32,180 | 144,631 | 105,980 | 3,813 | 254,424 |
| Travel | 22,725 | 6,977 | 2,659 | 32,361 | 35,817 | 4,883 | 73,061 |
| Rental and equipment maintenance | 30,631 | 32,844 | 27,296 | 90,771 | 171,906 | 4,276 | 266,953 |
| Printing and publications | 12,479 | 1,747 | 32,774 | 47,000 | 24,604 | 12,526 | 84,130 |
| Insurance | 56,219 | 19,366 | 61,114 | 136,699 | 18,751 | 700 | 156,150 |
| Postage and shipping | 4,675 | (243) | 2,390 | 6,822 | 6,351 | 1,252 | 14,425 |
| Miscellaneous | 8,270 | 7,688 | 9,965 | 25,923 | 22,237 | 621 | 48,781 |
| Membership dues | — | — | 2,975 | 2,975 | 18,344 | 3,920 | 25,239 |
| Dues to national organizations | — | — | — | — | 15,000 | — | 15,000 |
| Total | 4,260,165 | 4,045,290 | 6,147,086 | 14,452,541 | 2,821,295 | 307,647 | 17,581,483 |
| Allocation of depreciation | 142,557 | 11,337 | 57,447 | 211,341 | 125,400 | — | 336,741 |
| Allocation of administrative costs | 750,249 | 170,551 | 957,185 | 1,877,985 | (1,877,985) | — | — |
| Total Expenses | \$ 5,152,971 | \$ 4,227,178 | \$ 7,161,718 | \$ 16,541,867 | \$ 1,068,710 | \$ 307,647 | \$ 17,918,224 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

STATEMENT OF CASH FLOWS

| | For The Years | |
|---|---------------------|---------------------|
| | Ended December 31, | |
| | 2014 | 2013 |
| Cash Flows From Operating Activities | | |
| Increase (decrease) in net assets | \$ (25,612) | \$ 1,089,004 |
| Adjustments to reconcile increase (decrease) in net assets to provided by (used in) operating activities: | | |
| Depreciation and amortization | 263,380 | 336,741 |
| Net gains on long-term investments | (64,985) | (1,508) |
| Donation of equity securities | (9,641) | (6,646) |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | (355,925) | 251,076 |
| (Increase) decrease in pledges receivable | 738,970 | (891,954) |
| Increase in prepaid expenses | (19,970) | (22,918) |
| Increase (decrease) in accounts payable and accrued expenses | 231,712 | (208,315) |
| Increase (decrease) in accrued payroll and related taxes | 66,547 | (27,807) |
| Increase in accrued pension liability | 20,439 | 234,860 |
| Increase (decrease) in deferred revenues | (756,903) | 796,313 |
| Net Cash Provided By Operating Activities | 88,012 | 1,548,846 |
| Cash Flows From Investing Activities | | |
| Purchase of property and equipment | (36,935) | (23,616) |
| Purchases of investments | (1,316,662) | (480,165) |
| Proceeds from sale or maturity of investments | 694,024 | 212,358 |
| Net Cash Used In Investing Activities | (659,573) | (291,423) |
| Cash Flows Used In Financing Activities | | |
| Payments on note payable | (16,721) | (16,099) |
| Net Increase (Decrease) In Cash And Cash Equivalents | (588,282) | 1,241,324 |
| Cash And Cash Equivalents - Beginning Of Year | 2,253,496 | 1,012,172 |
| Cash And Cash Equivalents - End Of Year | \$ 1,665,214 | \$ 2,253,496 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 And 2013

1. Summary Of Significant Accounting Policies

General

The Urban League of Metropolitan St. Louis, Inc. (the League) is a charitable, community services agency. It conducts programs and provides services to the community in education, basic needs, and economic empowerment. The League's mission is to assist African Americans and others throughout the St. Louis-metropolitan area in the achievement of social and economic equality. The League implements its mission through advocacy, coalition building, program services and by promoting communication and understanding between the races.

The League's primary source of revenue is federal and state government grants. The League also receives contributions from the United Way and other charitable organizations and earns revenue from program fees.

The accompanying financial statements include all programs operated by the League. The financial statements are prepared on the accrual basis of accounting.

Use Of Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) of the United States of America requires that management make certain 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. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for uncollectible receivables and pledges and pension plan assumptions.

Financial Statement Format

The following is a description of the three classes of net assets of the League:

Unrestricted Net Assets

Unrestricted Net Assets represent those net assets whose use is not restricted by donors. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Included in unrestricted net assets are net assets for which outside agencies or government bodies, rather than a donor, have designated for various purposes under grant contracts. These assets are noted as unrestricted contractual net assets. Unrestricted property and equipment net assets represents the net property and equipment of the League that will be depreciated in future years.

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements (*Continued*)

Temporarily Restricted Net Assets

Temporarily Restricted Net Assets represent those net assets whose use has been limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the League pursuant to those stipulations.

Permanently Restricted Net Assets

Permanently Restricted Net Assets represent those net assets whose use has been limited by donor-imposed stipulations that they must be maintained in perpetuity. Interest income is recorded as temporarily restricted for scholarships.

Contributions

Unconditional contributions are recognized when promised or received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes. Contributions received with donor-imposed restrictions that are met in the same year as the contribution is received are initially reported as temporarily restricted support and are subsequently released to unrestricted net assets in the same year. Gifts of long-lived assets received without stipulation are recorded as unrestricted support.

Grants From Governmental Agencies

Revenue from governmental grants and certain other contractual contributions is recognized when allowable expenditures are made by the League. Grants received for specific purposes but not yet expended are recorded as deferred revenue.

Cash And Cash Equivalents

Cash equivalents are stated at cost, which approximates market value. The League considers all highly liquid debt instruments with a maturity of three months or less at date of purchase to be cash equivalents. At December 31, 2014, approximately \$1,100,000 in bank deposits exceeded amounts insured by the Federal Deposit Insurance Corporation (FDIC).

Pledges Receivable

Pledges receivable are recognized as revenue when they are unconditionally promised. Pledges with a term greater than one year are discounted using the rate obtained on the League's revolving line of credit of 3.75%.

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements *(Continued)*

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Investments received as gifts are recorded at estimated fair value at the date of donation. Dividend and interest income are accrued when earned.

Property And Equipment

Donated property and vehicles are recorded as an addition to the unrestricted property and equipment net assets at fair market value on the date of donation. Major repairs that significantly extend the life of an asset are capitalized. Purchases of property and equipment of \$5,000 or more are capitalized. Property and equipment are depreciated on a straight-line basis over the following estimated useful lives of the assets:

| | |
|-----------------------------------|---|
| Buildings | 40 years |
| Building improvements | 20 years |
| Furniture, fixtures and equipment | 3 - 10 years |
| Leased building improvements | Shorter of the life of lease or life of asset |

The League acquires title to property and equipment purchased with federal grant funds. In certain instances, the federal government retains a reversionary interest in federally funded assets in the event of program termination. As of December 31, 2014 and 2013, the League held title to \$3,202,325 and \$3,285,118, respectively, of property and equipment purchased with federal grant funds. Accumulated depreciation on the federally funded assets amounted to \$2,834,246 and \$2,797,579 as of December 31, 2014 and 2013, respectively.

Indirect Costs

Certain supporting salaries, benefits, worker's compensation, rent, business office fees, legal and audit fees, photocopier usage, postage and consulting, and general utility expenses are allocated to the individual programs to the extent allowable in the grants. These indirect costs are reflected in the allocation of administrative costs in the statements of functional expenses.

Fundraising

The League employs fundraising staff who organize special events and request contributions from donors. No fundraising costs are allocated to programs. Direct costs of special events are recorded as an offset to special event income in the statements of activities and amounted to \$333,061 and \$139,202 at December 31, 2014 and 2013, respectively. All other fundraising costs are recorded in the statements of activities and functional expenses.

Contributed Services, Materials And Rent

The League records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. The League received contributed services in the amount of \$246,326 and \$191,013 in 2014 and 2013, respectively. During 2014 and 2013, \$327,550 and \$303,157, respectively, in contributed services were received but were not recorded as they did not meet the criteria for recognition.

As more fully described in Note 9, the use of the facilities where the League operates were donated or discounted. Amounts have been recognized as revenues and expenses in the accompanying financial statements for the fair market value of the donated facilities.

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements:

Economic Empowerment

These programs empower individuals to reach self-sufficiency. Core programs include: employment services, HUD housing counseling, Foreclosure Prevention, Weatherization, St. Louis County Youth Services, Business Training Center classes, Bridging the Digital Divide and Financial Literacy Training.

Basic Needs

These include impactful programs that change families' lives. Core programs include: Community Outreach, Food Pantry, LIHEAP, Dollar More, Community Clothes Closet, 100 Neediest Cases, utility assistance, and rent/mortgage assistance.

Education

These programs empower future leaders. Core programs include: Head Start, college scholarships, GED classes, and Vaughn Cultural Center.

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements *(Continued)*

General And Administrative

General and administration includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Organization's program strategy, secure proper administrative functioning of the Board of Directors, maintain competent legal services for the program administration of the Organization, and manage the financial and budgetary responsibilities of the Organization.

Development And Fundraising

The development and fundraising function provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations as well as support from local, state, and federal government agencies.

Tax Status

The League is an organization described in Internal Revenue Code Section 501(c)(3) and has received an Internal Revenue Service (the IRS) determination letter stating that it is exempt from federal tax on income from its related, exempt activities. However, the League is subject to federal income tax on any unrelated business taxable income. The League's federal and state tax returns for tax years 2011 and later remain subject to examination by taxing authorities.

Subsequent Events

Management has evaluated subsequent events through June 29, 2015, the date which the financial statements were available for issue.

2. Pledges Receivable

Pledges receivable as of December 31, 2014 and 2013 were scheduled for collection as follows:

| | <u>2014</u> | <u>2013</u> |
|--------------------------------|---------------------|---------------------|
| Less than one year | \$ 1,626,459 | \$ 1,793,891 |
| One-five years | 547,323 | 1,205,948 |
| Total pledges receivable | 2,173,782 | 2,999,839 |
| Discount on pledges receivable | (51,425) | (138,512) |
| | <u>\$ 2,122,357</u> | <u>\$ 2,861,327</u> |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements (Continued)

3. Investments

The League accounts for certain investments at fair value as required by generally accepted accounting principles. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

There are three general valuation techniques that may be used to measure fair value, as described below:

- Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable asset or liabilities.
- Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset.
- Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts.

Investments measured and reported at fair value are classified and disclosed in one of the following three categories:

- Level 1* Quoted prices that are readily available in active markets/exchanges for identical investments.
- Level 2* Pricing inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3* Significant pricing inputs that are unobservable for the investment and includes investments for which there is little, if any, market activity for the investment.

The following are the major categories of assets measured at fair value on a recurring basis at December 31:

| Asset Category | Fair Value Measurements At December 31, 2014 | | | |
|-------------------------|--|--------------|------------|---------|
| | Total | Level 1 | Level 2 | Level 3 |
| Mutual funds | \$ 1,213,427 | \$ 1,213,427 | \$ — | \$ — |
| Certificates of deposit | 211,246 | — | 211,246 | — |
| Total | \$ 1,424,673 | \$ 1,213,427 | \$ 211,246 | \$ — |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements (Continued)

| Asset Category | Total | Fair Value Measurements At December 31, 2013 | | |
|-------------------------------|------------|--|------------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Mutual funds | \$ 459,925 | \$ 459,925 | \$ — | \$ — |
| Certificates of deposit | 210,877 | — | 210,877 | — |
| Fixed-rate capital securities | 6,279 | — | 6,279 | — |
| Taxable municipal bonds | 41,735 | — | 41,735 | — |
| Corporate bonds | 8,593 | — | 8,593 | — |
| Total | \$ 727,409 | \$ 459,925 | \$ 267,484 | \$ — |

At December 31, 2014 and 2013, the Level 2 assets utilize the following valuation techniques and inputs:

Fixed-Rate Capital Securities: The fair value of investments in fixed rate capital securities is determined using the market approach. Significant observable inputs include benchmark yields, reported trades, and observable broker-dealer quotes.

Taxable Municipal Bonds: The fair value of investments in taxable municipal bonds is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

Corporate Bonds: The fair value of investments in corporate bonds is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options.

During 2014 and 2013, there were no changes in the methods and/or assumptions utilized to derive the fair value of the League's assets.

Components of investment income include:

| | 2014 | 2013 |
|---------------------|-----------|-----------|
| Interest income | \$ 25,831 | \$ 20,143 |
| Gain on investments | 64,985 | 1,508 |
| Investment income | \$ 90,816 | \$ 21,651 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements *(Continued)*

4. Property And Equipment

Property and equipment consisted of the following at December 31:

| | <u>2014</u> | <u>2013</u> |
|-----------------------------------|---------------------|---------------------|
| Land | \$ 59,182 | \$ 59,182 |
| Buildings and improvements | 4,922,787 | 4,908,308 |
| Furniture, fixtures and equipment | 763,043 | 870,831 |
| | <u>5,745,012</u> | <u>5,838,321</u> |
| Less: Accumulated depreciation | 4,525,533 | 4,392,397 |
| | <u>\$ 1,219,479</u> | <u>\$ 1,445,924</u> |

Depreciation and amortization expense amounted to \$263,380 in 2014 and \$336,741 in 2013.

5. Net Assets

The League's endowment consists of two individual funds established for scholarship recipients and operational use. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements (Continued)

Interpretation Of Relevant Law

The Board of Directors of the League has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the League classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the League considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the League and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the League; and
- (7) The investment policies of the League.

Endowment Net Asset Composition As Of December 31, 2014:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|--------------|---------------------------|---------------------------|--------------|
| Donor-restricted endowment fund | \$ — | \$ — | \$ 645,804 | \$ 645,804 |
| Board-designated quasi-endowment fund | 1,033,851 | — | — | 1,033,851 |
| | \$ 1,033,851 | \$ — | \$ 645,804 | \$ 1,679,655 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements (Continued)

Endowment Net Asset Composition As Of December 31, 2013:

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---------------------------------------|---------------------|-------------------------------|-------------------------------|-------------------|
| Donor-restricted endowment fund | \$ — | \$ — | \$ 614,245 | \$ 614,245 |
| Board-designated quasi-endowment fund | 350,767 | — | — | 350,767 |
| | <u>\$ 350,767</u> | <u>\$ —</u> | <u>\$ 614,245</u> | <u>\$ 965,012</u> |

Changes In Endowment Net Assets For The Fiscal Years Ended December 31, 2014 And 2013:

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---|---------------------|-------------------------------|-------------------------------|---------------------|
| Endowment Net Assets - January 1, 2013 | <u>\$ 100,123</u> | <u>\$ —</u> | <u>\$ 613,865</u> | <u>\$ 713,988</u> |
| Investment Return | | | | |
| Investment income | 199 | 19,155 | — | 19,354 |
| Net realized and unrealized gains | 445 | 845 | 380 | 1,670 |
| Total Investment Return | <u>644</u> | <u>20,000</u> | <u>380</u> | <u>21,024</u> |
| Contributions | <u>250,000</u> | <u>—</u> | <u>—</u> | <u>250,000</u> |
| Appropriation of endowment assets for expenditure | — | (20,000) | — | (20,000) |
| Endowment Net Assets - December 31, 2013 | <u>350,767</u> | <u>—</u> | <u>614,245</u> | <u>965,012</u> |
| Investment Return | | | | |
| Investment income | 4,779 | 14,087 | — | 18,866 |
| Net realized and unrealized gains | 15,260 | 913 | 31,559 | 47,732 |
| Total Investment Return | <u>20,039</u> | <u>15,000</u> | <u>31,559</u> | <u>66,598</u> |
| Contributions | <u>663,045</u> | <u>—</u> | <u>—</u> | <u>663,045</u> |
| Appropriation of endowment assets for expenditure | — | (15,000) | — | (15,000) |
| Endowment Net Assets - December 31, 2014 | <u>\$ 1,033,851</u> | <u>\$ —</u> | <u>\$ 645,804</u> | <u>\$ 1,679,655</u> |

Funds With Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the League to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2014 or 2013.

Return Objectives And Risk Parameters

The League has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the League must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index and Bond index based on asset allocation while assuming a low to moderate level of investment risk. The League expects its endowment funds, over time, to provide a positive rate of return. Actual returns in any given year may vary from this expectation.

Strategies Employed For Achieving Objectives

To satisfy its long-term rate-of-return objectives, the League relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The League targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy And How The Investment Objectives Relate To Spending Policy

The League has a policy of appropriating for distribution each year up to the total return from permanently restricted funds. The amount of the appropriation is at the discretion of the Board of Directors. Total return is defined as interest, dividends, and realized and unrealized gains and losses, net of fees. In establishing this policy, the League considered the long-term expected return on its endowment. Accordingly, over the long term, the League expects the current spending policy to allow its endowment to grow on an annual basis. This is consistent with the League's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements (Continued)

Temporarily restricted net assets consist of the following at December 31:

| | <u>2014</u> | <u>2013</u> |
|---------------------------------------|---------------------|---------------------|
| Administration (United Way) | \$ 1,167,488 | \$ 1,267,633 |
| North County Facility (related party) | 189,834 | 318,756 |
| Economic empowerment | 899,230 | 551,815 |
| Education | 23,776 | 40,131 |
| Basic needs | 54,540 | 71,773 |
| Youth development | 229,022 | 218,414 |
| Business training center | 139,416 | 182,569 |
| Miscellaneous | 40,691 | 50,478 |
| | <u>\$ 2,743,997</u> | <u>\$ 2,701,569</u> |

Temporarily restricted net assets released from restrictions consist of the following:

| | <u>2014</u> | <u>2013</u> |
|---------------------------------------|---------------------|---------------------|
| North County Facility (related party) | \$ 140,519 | \$ 140,519 |
| Economic empowerment | 981,332 | 1,101,896 |
| Education | 67,041 | 56,070 |
| Basic needs | 267,442 | 226,601 |
| Business training center | 125,000 | 50,000 |
| Miscellaneous | 51,727 | 11,952 |
| | <u>\$ 1,633,061</u> | <u>\$ 1,587,038</u> |

6. Note Payable

During 2012, the League entered into a \$144,000 note payable with monthly installments of \$1,741. The note bears interest at a rate of 3.75% and matures in April 2020. The note payable is collateralized by the related real estate. As of December 31, 2014 and 2013, the balance on the note payable is \$100,537 and \$117,258, respectively.

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements *(Continued)*

The scheduled maturities of long-term debt at December 31, 2014 are as follows:

| Year | Amount |
|-------------|-------------------|
| 2015 | \$ 17,422 |
| 2016 | 18,086 |
| 2017 | 18,776 |
| 2018 | 19,493 |
| 2019 | 20,236 |
| Thereafter | 6,524 |
| | <u>\$ 100,537</u> |

7. Commitments And Contingencies

Operating Leases

The League leases office space and office equipment. Rent, including month-to-month leases, amounted to approximately \$234,000 in 2014 and \$231,000 in 2013.

Aggregate future minimum lease commitments at December 31, 2014 are as follows:

| Year | Amount |
|-------------|-------------------|
| 2015 | \$ 289,956 |
| 2016 | 177,280 |
| 2017 | 101,079 |
| 2018 | 71,791 |
| 2019 | 35,895 |
| | <u>\$ 676,001</u> |

Litigation

The League has been named as a party to various legal proceedings. In the opinion of management, any liability from claims or proceedings in excess of the amount covered by insurance will not have a material adverse effect on the League's financial position, results of activities, cash flows or functional expenses.

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements (Continued)

8. Pension Plans

Defined Benefit Plan

The League has a defined benefit pension plan which covers all active full-time employees. The plan provides benefits based on the participant's years of service and compensation. The League's funding policy is to contribute amounts sufficient upon an actuarially determined basis to provide the benefits under the plan in accordance with the minimum funding requirements of the Employee Retirement Income Security Act.

A measurement date of December 31 is used for the defined benefit plan.

| | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Change in benefit obligation: | | |
| Projected benefit obligation - beginning of year | \$ 10,947,988 | \$ 9,580,676 |
| Service cost | 722,645 | 702,710 |
| Interest cost | 482,575 | 396,972 |
| Actuarial gains | 62,438 | 708,860 |
| Benefits paid | (267,048) | (441,230) |
| <u>Projected benefit obligation - end of year</u> | <u>11,948,598</u> | <u>10,947,988</u> |
| Change in plan assets: | | |
| Fair value of assets - beginning of year | 10,919,702 | 9,787,250 |
| Actual return on assets | 572,219 | 1,331,131 |
| Employer contributions | 675,000 | 242,551 |
| Benefits paid | (267,048) | (441,230) |
| <u>Fair value of assets - end of year</u> | <u>11,899,873</u> | <u>10,919,702</u> |
| <u>Funded status - end of year</u> | <u>(48,725)</u> | <u>(28,286)</u> |
| Items not yet recognized as a component of net periodic pension cost - unrecognized loss | \$ 2,528,304 | \$ 2,463,290 |
| The components of net periodic benefit cost were as follows: | | |
| Service cost | \$ 722,645 | \$ 702,710 |
| Interest cost | 482,575 | 396,972 |
| Expected return on plan assets | (744,903) | (677,233) |
| Amortization of net gain | 170,108 | 226,735 |
| | <u>\$ 630,425</u> | <u>\$ 649,184</u> |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements (Continued)

Employer contributions and benefits paid for the years ended December 31:

| | <u>2014</u> | <u>2013</u> |
|--------------------------------|-------------|-------------|
| Employer contribution | \$ 675,000 | \$ 242,551 |
| Benefits paid | 267,048 | 441,230 |
| Weighted average assumption | | |
| Discount rate | 4.50% | 4.50% |
| Expected return on plan assets | 7.0% | 7.0% |
| Rate of compensation increase | 3.0% | 3.0% |

Plan Assets

The plans' investment strategy is to minimize investment risk while generating acceptable returns.

The fair value of the League's pension plan assets at December 31, 2014 and 2013 by asset category are as follows:

| | | <u>Fair Value Measurements At December 31, 2014</u> | | |
|-------------------------|----------------------|---|--|--|
| | | <u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u> | <u>Significant Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
| <u>Asset Category</u> | <u>Total</u> | | | |
| Money markets | \$ 519,523 | \$ 519,523 | \$ — | \$ — |
| Equity securities: | | | | |
| U.S. companies | 2,954,229 | 2,954,229 | — | — |
| International companies | 590,600 | 590,600 | — | — |
| Mutual funds | 5,387,010 | 5,387,010 | — | — |
| Corporate bonds | 2,448,511 | — | 2,448,511 | — |
| Total | \$ 11,899,873 | \$ 9,451,362 | \$ 2,448,511 | \$ — |

| | | <u>Fair Value Measurements At December 31, 2013</u> | | |
|-------------------------|----------------------|---|--|--|
| | | <u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u> | <u>Significant Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
| <u>Asset Category</u> | <u>Total</u> | | | |
| Money markets | \$ 331,222 | \$ 331,222 | \$ — | \$ — |
| Equity securities: | | | | |
| U.S. companies | 2,870,796 | 2,870,796 | — | — |
| International companies | 569,036 | 569,036 | — | — |
| Mutual funds | 4,494,177 | 4,494,177 | — | — |
| Corporate bonds | 2,654,471 | — | 2,654,471 | — |
| Total | \$ 10,919,702 | \$ 8,265,231 | \$ 2,654,471 | \$ — |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements (Continued)

The League's target allocation by asset class versus the actual allocation as of December 31, 2014 and 2013 are as follows:

| | Plan Assets | | Target Allocation | Actual Allocation | |
|-------------------|----------------------|----------------------|-------------------|-------------------|-------------|
| | 2014 | 2013 | | 2014 | 2013 |
| Equity securities | \$ 8,931,839 | \$ 7,934,009 | 30 - 70% | 75% | 73% |
| Debt securities | 2,448,511 | 2,654,471 | 30 - 70% | 21% | 24% |
| Other | 519,523 | 331,222 | 2 - 6% | 4% | 3% |
| | <u>\$ 11,899,873</u> | <u>\$ 10,919,702</u> | | <u>100%</u> | <u>100%</u> |

The League seeks to manage plan assets in a prudent, conservative yet productive manner seeking to increase the value of plan assets, while recognizing the need to preserve asset value in order to enhance the ability of the plan to meet its obligations to plan participants and their beneficiaries when due. The long-term rate assumption of 7.0% is based upon the "building block" approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27, *Selection Economic Assumptions for Measuring Pension Obligations*.

Information about the expected cash flows for the defined benefit pension plan is as follows:

| | |
|---------------------------------------|---------------------|
| Employer contributions 2014 (minimum) | \$ 400,000 |
| Expected amortization of net loss | 166,681 |
| Expected benefit payments: | |
| 2015 | 280,000 |
| 2016 | 250,000 |
| 2017 | 300,000 |
| 2018 | 380,000 |
| 2019 | 620,000 |
| 2020-2024 | <u>3,370,000</u> |
| | <u>\$ 5,200,000</u> |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

Notes To Financial Statements (Continued)

9. Below-Market Leases

The League rents three buildings at below market rates to operate Head Start and other facilities. Contribution revenue and additional occupancy expense is recorded for the difference between the market rate and the reduced rate paid by the League. Three of four leases are for Head Start facilities and contain a clause that allows the League to terminate the lease after 30-days notice of the Head Start contract termination. Due to the conditional nature of this in-kind rent the future pledged rent reduction for these three leases has not been recorded in the financial statements.

Two of the leases are with two members of the Board of Directors, one of which includes the lease of the League's North County Administrative Office, as well as a Head Start facility. The North County Administrative Office portion of the lease is non-cancelable. The fair market value of the contributed rent is recorded as a pledge receivable and temporarily restricted contribution. At December 31, 2014 and 2013, the discounted pledge totaled \$189,834 and \$318,412, respectively.

The additional contributions and occupancy expense recorded in the financial statements are as follows:

| Facility | Lease Expiration Date | Term Of Lease | Additional Contributions And Occupancy Expense For The Years Ended December 31, | |
|----------------------------------|-----------------------------|------------------|---|-------------------|
| | | | 2014 | 2013 |
| Jennings Station (related party) | May 2016 | 10 years | \$ 495,994 | \$ 490,945 |
| Mt. Zion (related party) | May 2016 | 5 years | 25,061 | 25,391 |
| 911 N. Spring | May 2016 | 5 years | 356,250 | 360,938 |
| | | | <u>\$ 877,305</u> | <u>\$ 877,274</u> |

10. Related-Party Transactions

The League has an affiliate relationship with its charter organization, the National Urban League. During the years ended December 31, 2014 and 2013, the League received grants as a result of its affiliate relationship.

The federally funded grant for the Foreclosure Mitigation Program, passed through the National Urban League, totaled \$79,383 and \$49,641 in 2014 and 2013, respectively. These amounts are included in the combining statements of activities and changes in net assets as unrestricted contractual grants from governmental agencies for the years ended December 31, 2014 and 2013.

The League paid \$15,000 to the National Urban League which is included as operational supporting services - management and general in the statement of activities for each of the years ended December 31, 2014 and 2013.

Members of the Board of Directors of the League and employers of the Board of Directors of the League made contributions of \$72,161 and \$1,581,620, respectively, for the year ended December 31, 2014. These contributions are included in the statement of activities for the year ended December 31, 2014 as contributions and special-purpose revenue.

Members of the Board of Directors of the League and employers of the Board of Directors of the League made contributions of \$85,498 and \$689,984, respectively, for the year ended December 31, 2013. These contributions are included in the statement of activities for the year ended December 31, 2013 as contributions and special-purpose revenue.

Independent Auditors' Report On Supplementary Information

Audit and Finance Committee
The Urban League of Metropolitan St. Louis, Inc.
St. Louis, Missouri

We have audited the basic financial statements of Urban League of Metropolitan St. Louis as of and for the years ended December 31, 2013 and 2014, and our report thereon dated June 29, 2015, which expressed an unqualified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements of financial position, combining statements of activities and changes in net assets, schedule of indirect cost rate, weatherization program schedule of revenue and expenditures, and weatherization program fund balance reconciliation, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

RubinBrown LLP

June 29, 2015

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

**COMBINING STATEMENT OF FINANCIAL POSITION
UNRESTRICTED OPERATIONAL
December 31, 2014**

| | Combined Total | Administration | President's Scholarship Fund | Business Training Center | Urban League Guild | League Young Professionals | Federation Of Block Units |
|---|---------------------------|-----------------------|---|---|-----------------------------------|---|--|
| Assets | | | | | | | |
| Cash and temporary investments | \$ 1,663,314 | \$ 1,663,164 | \$ — | \$ — | \$ — | \$ 150 | \$ — |
| Accounts receivable | 3,545 | 3,545 | — | — | — | — | — |
| Pledges receivable | 347,493 | 347,493 | — | — | — | — | — |
| Prepaid expenses | 239,271 | 239,271 | — | — | — | — | — |
| Due from (to) other funds | (618,246) | (681,390) | — | 36,376 | 1,384 | 15,766 | 9,618 |
| Investments | 601,668 | 593,413 | — | — | — | — | 8,255 |
| Total Assets | \$ 2,237,045 | \$ 2,165,496 | \$ — | \$ 36,376 | \$ 1,384 | \$ 15,916 | \$ 17,873 |
| Liabilities | | | | | | | |
| Accounts payable and accrued expenses | \$ 262,743 | \$ 259,869 | \$ — | \$ — | \$ — | \$ 2,368 | \$ 506 |
| Accrued payroll and related taxes | 105,069 | 102,651 | — | 2,418 | — | — | — |
| Accrued pension liability | 48,725 | 48,725 | — | — | — | — | — |
| Note payable | 100,537 | 100,537 | — | — | — | — | — |
| Total Liabilities | 517,074 | 511,782 | — | 2,418 | — | 2,368 | 506 |
| Net Assets | 1,719,971 | 1,653,714 | — | 33,958 | 1,384 | 13,548 | 17,367 |
| Total Liabilities And Net Assets | \$ 2,237,045 | \$ 2,165,496 | \$ — | \$ 36,376 | \$ 1,384 | \$ 15,916 | \$ 17,873 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

**COMBINING STATEMENT OF FINANCIAL POSITION
UNRESTRICTED CONTRACTUAL**

**Page 1 Of 5
December 31, 2014**

| | Combined Total | B.T. Hurt Scholarship Fund | Regional Arts Commission | Educational Resource Center | Headstart | | | Save Our Sons | Total From Following Page |
|---|---------------------------|---|---|--|-------------------|------------------|------------------------------|--------------------------|--|
| | | | | | Federal | USDA | Private And State | | |
| Assets | | | | | | | | | |
| Cash and temporary investments | \$ 1,900 | \$ — | \$ — | \$ — | \$ 1,700 | \$ — | \$ — | \$ — | \$ 200 |
| Accounts receivable | 1,356,460 | — | 2,933 | — | 574,811 | 30,469 | 27,147 | — | 721,100 |
| Prepaid expenses | 48,606 | — | — | — | — | — | — | — | 48,606 |
| Due from (to) other funds | (192,686) | 3,286 | (2,933) | — | (377,330) | 4,288 | (15,539) | 3,331 | 192,211 |
| Total Assets | \$ 1,214,280 | \$ 3,286 | \$ — | \$ — | \$ 199,181 | \$ 34,757 | \$ 11,608 | \$ 3,331 | \$ 962,117 |
| Liabilities | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 438,498 | \$ — | \$ — | \$ — | \$ 101,280 | \$ 34,637 | \$ 3,936 | 1,304 | \$ 297,341 |
| Accrued payroll and related taxes | 162,962 | — | — | — | 97,901 | 120 | 7,672 | 2,027 | 55,242 |
| Deferred revenue | 609,534 | — | — | — | — | — | — | — | 609,534 |
| Total Liabilities | 1,210,994 | — | — | — | 199,181 | 34,757 | 11,608 | 3,331 | 962,117 |
| Net Assets | 3,286 | 3,286 | — | — | — | — | — | — | — |
| Total Liabilities And Net Assets | \$ 1,214,280 | \$ 3,286 | \$ — | \$ — | \$ 199,181 | \$ 34,757 | \$ 11,608 | \$ 3,331 | \$ 962,117 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

COMBINING STATEMENT OF FINANCIAL POSITION

UNRESTRICTED CONTRACTUAL

Page 2 Of 5

December 31, 2014

| | Total To Preceding Page | Bank Of America | Jobs For Missouri Graduates | Digital Divide | Bank of America - Housing | Fannie Mae | NUL Foreclosure Mitigation | Emergency Home Loan | SLAA Navigator Training | HUD Housing Counseling | Total From Following Page |
|---|--|----------------------------|--|---------------------------|--|-----------------------|---|------------------------------------|--|---------------------------------------|--|
| Assets | | | | | | | | | | | |
| Cash and temporary investments | \$ 200 | \$ — | \$ — | \$ — | \$ — | \$ 200 | \$ — | \$ — | \$ — | \$ — | \$ — |
| Accounts receivable | 721,100 | — | — | — | — | 17,900 | 8,434 | — | 1,312 | 11,000 | 682,454 |
| Prepaid expenses | 48,606 | — | — | — | — | — | — | — | — | — | 48,606 |
| Due from (to) other funds | 192,211 | 533 | — | 9,409 | — | (13,529) | 12,158 | — | (1,312) | (11,000) | 195,952 |
| Total Assets | \$ 962,117 | \$ 533 | \$ — | \$ 9,409 | \$ — | \$ 4,571 | \$ 20,592 | \$ — | \$ — | \$ — | \$ 927,012 |
| Liabilities | | | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 297,341 | \$ 65 | \$ — | \$ — | \$ — | \$ 690 | \$ — | \$ — | \$ — | \$ — | \$ 296,586 |
| Accrued payroll and related taxes | 55,242 | 468 | — | 291 | — | 3,881 | — | — | — | — | 50,602 |
| Deferred revenue | 609,534 | — | — | 9,118 | — | — | 20,592 | — | — | — | 579,824 |
| Total Liabilities And Net Assets | \$ 962,117 | \$ 533 | \$ — | \$ 9,409 | \$ — | \$ 4,571 | \$ 20,592 | \$ — | \$ — | \$ — | \$ 927,012 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

COMBINING STATEMENT OF FINANCIAL POSITION

UNRESTRICTED CONTRACTUAL

Page 3 Of 5

December 31, 2014

| | Total To | | IL WX | IL WX | WIA Summer | WIA Youth | Wells | MO | State | Illinois | Total From |
|---|-------------------|------------------|-----------------|-----------------|---------------------|------------------|----------------|-------------------|----------------|-----------------|-------------------|
| | Preceding | LIHEAP | BPI | Tech | Youth St. | St. Louis | Fargo | Foundation | Farm | Attorney | Following |
| | Page | Laclede | Training | Training | Louis County | County | Housing | For Health | Housing | General | Page |
| Assets | | | | | | | | | | | |
| Cash and temporary investments | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Accounts receivable | 682,454 | 248,989 | — | — | — | 64,474 | — | — | — | 14,278 | 354,713 |
| Prepaid expenses | 48,606 | — | — | — | — | — | — | — | — | — | 48,606 |
| Due from (to) other funds | 195,952 | (217,810) | — | 125 | — | (43,954) | — | 3,997 | — | (13,248) | 466,842 |
| Total Assets | \$ 927,012 | \$ 31,179 | \$ — | \$ 125 | \$ — | \$ 20,520 | \$ — | \$ 3,997 | \$ — | \$ 1,030 | \$ 870,161 |
| Liabilities | | | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 296,586 | \$ 26,155 | \$ — | \$ — | \$ — | \$ 6,646 | \$ — | \$ 2,416 | \$ — | \$ — | \$ 261,369 |
| Accrued payroll and related taxes | 50,602 | 5,024 | — | — | — | 13,874 | — | 1,581 | — | 1,030 | 29,093 |
| Deferred revenue | 579,824 | — | — | 125 | — | — | — | — | — | — | 579,699 |
| Total Liabilities And Net Assets | \$ 927,012 | \$ 31,179 | \$ — | \$ 125 | \$ — | \$ 20,520 | \$ — | \$ 3,997 | \$ — | \$ 1,030 | \$ 870,161 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

**COMBINING STATEMENT OF FINANCIAL POSITION
UNRESTRICTED CONTRACTUAL**

**Page 4 Of 5
December 31, 2014**

| | Total To Preceding Page | AB Entrepren- eurial | 2010 Weatheri- zation | Ameren UE Weatheri- zation | Laclede Weatheri- zation | LIHEAP Weatheri- zation | Honeywell Weatheri- zation | Weatheri- zation Multi-Family | Total From Following Page |
|---|--|-------------------------------------|--------------------------------------|---|---|--|---|--|--|
| Assets | | | | | | | | | |
| Cash and temporary investments | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Accounts receivable | 354,713 | — | 95,787 | 1,553 | 1,474 | 65,684 | 154,766 | — | 35,449 |
| Prepaid expenses | 48,606 | — | 42,925 | — | — | — | — | 5,681 | — |
| Due from (to) other funds | 466,842 | — | (111,348) | (1,441) | (1,371) | (65,684) | (145,851) | (4,436) | 796,973 |
| Total Assets | \$ 870,161 | \$ — | \$ 27,364 | \$ 112 | \$ 103 | \$ — | \$ 8,915 | \$ 1,245 | \$ 832,422 |
| Liabilities | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 261,369 | \$ — | \$ 14,650 | \$ 112 | \$ 103 | \$ — | \$ 5,067 | \$ 237 | \$ 241,200 |
| Accrued payroll and related taxes | 29,093 | — | 12,714 | — | — | — | 3,848 | 1,008 | 11,523 |
| Deferred revenue | 579,699 | — | — | — | — | — | — | — | 579,699 |
| Total Liabilities And Net Assets | \$ 870,161 | \$ — | \$ 27,364 | \$ 112 | \$ 103 | \$ — | \$ 8,915 | \$ 1,245 | \$ 832,422 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

**COMBINING STATEMENT OF FINANCIAL POSITION
UNRESTRICTED CONTRACTUAL**

**Page 5 Of 5
December 31, 2014**

| | Total To Preceding Page | Laclede LIHEAP | St. Louis Alliance | Housing Advocacy | LIHEAP | Utilicare | Affordable Housing Shelter | Norman Cash Assistance |
|---|-------------------------------|-------------------|-----------------------|---------------------|-------------------|-----------------|----------------------------------|------------------------------|
| Assets | | | | | | | | |
| Cash and temporary investments | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Accounts receivable | 35,449 | — | 10,201 | 8,690 | — | — | 16,558 | — |
| Prepaid expenses | — | — | — | — | — | — | — | — |
| Due from (to) other funds | 796,973 | 153 | (9,204) | (8,365) | 728,635 | 1,071 | (14,570) | 99,253 |
| Total Assets | \$ 832,422 | \$ 153 | \$ 997 | \$ 325 | \$ 728,635 | 1,071 | \$ 1,988 | \$ 99,253 |
| Liabilities | | | | | | | | |
| Accounts payable and accrued expenses | \$ 241,200 | \$ — | \$ 568 | \$ 198 | \$ 238,528 | \$ — | \$ 1,649 | \$ 257 |
| Accrued payroll and related taxes | 11,523 | 153 | 429 | 127 | 10,475 | — | 339 | — |
| Deferred revenue | 579,699 | — | — | — | 479,632 | 1,071 | — | 98,996 |
| Total Liabilities And Net Assets | \$ 832,422 | \$ 153 | \$ 997 | \$ 325 | \$ 728,635 | \$ 1,071 | \$ 1,988 | \$ 99,253 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
UNRESTRICTED OPERATIONAL
December 31, 2014

| | Combined Total | Administration | President's Scholarship Fund | Business Training Center | Urban League Guild | League Young Professionals | Federation Of Block Units |
|---|-------------------|------------------|------------------------------------|--------------------------------|--------------------------|----------------------------------|---------------------------------|
| Support And Revenue | | | | | | | |
| Contributions and special purpose revenue | \$ 341,298 | \$ 331,298 | \$ 10,000 | \$ — | \$ — | \$ — | \$ — |
| United Way of Greater St. Louis: 2014 | 1,356,676 | 1,356,676 | — | — | — | — | — |
| Unassociated fund raising | — | — | — | — | — | — | — |
| Special events - net of expenses | 315,804 | 308,844 | — | — | 2,138 | 4,757 | 65 |
| Membership dues | 88,034 | 82,029 | — | — | 1,955 | 3,115 | 935 |
| Grants from governmental agencies | 205,076 | 205,076 | — | — | — | — | — |
| Investment income | 33,650 | 33,642 | — | — | — | — | 8 |
| Miscellaneous | 1,090 | 1,090 | — | — | — | — | — |
| Net assets released from restrictions | 697,752 | 567,252 | 5,500 | 125,000 | — | — | — |
| Total Support And Revenue | 3,039,380 | 2,885,907 | 15,500 | 125,000 | 4,093 | 7,872 | 1,008 |
| Expenses | | | | | | | |
| Salaries | 1,119,733 | 1,043,801 | — | 75,932 | — | — | — |
| Employee health and retirement benefits | 214,922 | 203,534 | — | 11,388 | — | — | — |
| Payroll taxes | 131,879 | 125,212 | — | 6,667 | — | — | — |
| Assistance to individuals | 369,031 | 361,281 | 7,750 | — | — | — | — |
| Occupancy | 546,581 | 529,567 | — | 17,014 | — | — | — |
| Supplies | 125,619 | 123,173 | — | 110 | 325 | 1,721 | 290 |
| Professional fees | (119,743) | (132,564) | — | 12,521 | — | 300 | — |
| Local transportation | 20,167 | 16,911 | — | — | — | — | 3,256 |
| Telephone | 42,225 | 41,713 | — | 512 | — | — | — |
| Awards and grants | 16,712 | 7,962 | 7,750 | — | 1,000 | — | — |
| Conferences and meetings | 132,865 | 130,205 | — | — | 920 | 1,740 | — |
| Travel | 34,741 | 30,583 | — | — | 2,459 | 1,699 | — |
| Rental and equipment maintenance | 98,206 | 98,206 | — | — | — | — | — |
| Printing and publications | 31,195 | 29,790 | — | — | 836 | 569 | — |
| Insurance | 20,731 | 20,731 | — | — | — | — | — |
| Postage and shipping | 9,075 | 8,827 | — | 90 | 64 | 94 | — |
| Miscellaneous | 60,557 | 59,953 | — | — | 61 | 51 | 492 |
| Membership dues | 12,504 | 12,054 | — | — | 450 | — | — |
| Dues to National Organization | 15,000 | 15,000 | — | — | — | — | — |
| Total Expenses | 2,884,018 | 2,727,957 | 15,500 | 124,234 | 6,115 | 6,174 | 4,038 |
| Change In Net Assets From Operating Activities | 155,362 | 157,950 | — | 766 | (2,022) | 1,698 | (3,030) |
| Pension-Related Benefits (Costs) Other Than Net Periodic Pension Cost | (14,037) | (13,271) | — | (766) | — | — | — |
| Change In Net Assets | 141,325 | 144,679 | — | — | (2,022) | 1,698 | (3,030) |
| Transfers | (14,479) | (14,479) | — | — | — | — | — |
| Net Assets | | | | | | | |
| Beginning of year | 1,593,125 | 1,523,514 | — | 33,958 | 3,406 | 11,850 | 20,397 |
| End of year | \$ 1,719,971 | \$ 1,653,714 | \$ — | \$ 33,958 | \$ 1,384 | \$ 13,548 | \$ 17,367 |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
UNRESTRICTED CONTRACTUAL

Page 1 Of 5
December 31, 2014

| | Combined Total | B.T. Hurt Scholarship Fund | Regional Arts Commission | Educational Resource Center | Headstart | | | Save Our Sons | Total From Following Page |
|--|-------------------|----------------------------------|--------------------------------|-----------------------------------|------------------|----------------|------------------------|------------------|---------------------------------|
| | | | | | Federal | USDA | Private And State * | | |
| Support And Revenue | | | | | | | | | |
| Contributions and special purpose revenue* | \$ 2,028,972 | \$ — | \$ 8,911 | \$ — | \$ — | \$ — | \$ 1,543,601 | \$ — | \$ 476,460 |
| Grants from governmental agencies | 12,638,196 | — | 8,487 | — | 5,617,110 | 350,218 | 93,902 | — | 6,568,479 |
| Net assets released from restrictions | 950,309 | 15,000 | — | 4,000 | — | — | 42,541 | 18,078 | 870,690 |
| Total Support And Revenue | 15,617,477 | 15,000 | 17,398 | 4,000 | 5,617,110 | 350,218 | 1,680,044 | 18,078 | 7,915,629 |
| Expenses | | | | | | | | | |
| Salaries | 5,383,885 | — | — | — | 3,038,579 | 9,867 | 223,928 | 10,693 | 2,100,818 |
| Employee health and retirement benefits | 973,373 | — | — | — | 589,528 | 2,173 | 46,219 | 1,046 | 334,407 |
| Payroll taxes | 703,515 | — | 298 | — | 418,668 | 1,218 | 25,633 | 1,274 | 256,424 |
| Assistance to individuals | 4,753,984 | — | — | — | 35,816 | 336,960 | 18,790 | — | 4,362,418 |
| Occupancy | 1,219,726 | — | — | — | 349,644 | — | 804,686 | — | 65,396 |
| Supplies | 200,644 | — | 300 | — | 80,001 | — | 58,041 | 894 | 61,408 |
| Professional fees | 1,194,433 | — | 10,268 | — | 440,595 | — | 456,053 | — | 287,517 |
| Local transportation | 386,774 | — | — | — | 343,266 | — | 13,776 | — | 29,732 |
| Equipment purchases | 1,780 | — | — | — | 864 | — | — | — | 916 |
| Telephone | 52,743 | — | — | — | 30,390 | — | 2,860 | — | 19,493 |
| Awards and grants | 19,000 | 15,000 | — | 4,000 | — | — | — | — | — |
| Conferences and meetings | 179,040 | — | 2,626 | — | 34,883 | — | 382 | — | 141,149 |
| Travel | 19,908 | — | — | — | 2,883 | — | — | 112 | 16,913 |
| Rental and equipment maintenance | 192,927 | — | — | — | 86,712 | — | 4,268 | — | 101,947 |
| Printing and publications | 95,138 | — | 3,904 | — | 42,725 | — | — | 3,671 | 44,838 |
| Insurance | 134,074 | — | — | — | 65,299 | — | 4,168 | — | 64,607 |
| Postage and shipping | 10,624 | — | 2 | — | 1,860 | — | 597 | — | 8,165 |
| Miscellaneous | 23,428 | — | — | — | 4,502 | — | 14,527 | 280 | 4,119 |
| Membership dues | 1,500 | — | — | — | 1,500 | — | — | — | — |
| Total Expenses | 15,546,496 | 15,000 | 17,398 | 4,000 | 5,567,715 | 350,218 | 1,673,928 | 17,970 | 7,900,267 |
| Change In Net Assets From Operating Activities | 70,981 | — | — | — | 49,395 | — | 6,116 | 108 | 15,362 |
| Pension-Related Benefits (Costs) Other Than Net Periodic Pension Cost | (48,525) | — | — | — | (30,705) | — | (2,350) | (108) | (15,362) |
| Change In Net Assets | 22,456 | — | — | — | 18,690 | — | 3,766 | — | — |
| Transfers | (22,456) | — | — | — | (18,690) | — | (3,766) | — | — |
| Net Assets | | | | | | | | | |
| Beginning of year | 3,286 | 3,286 | — | — | — | — | — | — | — |
| End of year | \$ 3,286 | \$ 3,286 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |

*Includes Federal match eligible volunteer services of \$327,550.

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
UNRESTRICTED CONTRACTUAL

Page 2 Of 5
December 31, 2014

| | Total To Preceding Page | Bank Of America | Jobs For Missouri Graduates | Digital Divide | Fannie Mae | NUL Foreclosure Mitigation | Emergency Home Loan | SLAA Navigator Training | HUD Fair Housing | Total From Following Page |
|--|-------------------------------|--------------------|-----------------------------------|-------------------|----------------|----------------------------------|---------------------------|-------------------------------|------------------------|---------------------------------|
| Support And Revenue | | | | | | | | | | |
| Contributions and special purpose revenue | \$ 476,460 | \$ — | \$ — | \$ — | \$ 48,162 | \$ — | \$ — | \$ — | \$ — | \$ 428,298 |
| Grants from governmental agencies | 6,568,479 | — | — | 6,881 | — | 79,383 | 4,251 | 21,577 | 11,000 | 6,445,387 |
| Net assets released from restrictions | 870,690 | 25,398 | 9,299 | — | 79,351 | — | — | — | — | 756,642 |
| Total Support And Revenue | 7,915,629 | 25,398 | 9,299 | 6,881 | 127,513 | 79,383 | 4,251 | 21,577 | 11,000 | 7,630,327 |
| Expenses | | | | | | | | | | |
| Salaries | 2,100,818 | 17,351 | 6,350 | 5,350 | 53,630 | 59,678 | 3,209 | 14,972 | 8,500 | 1,931,778 |
| Employee health and retirement benefits | 334,407 | 3,433 | 700 | 1,033 | 8,312 | 10,734 | 765 | 2,805 | 1,711 | 304,914 |
| Payroll taxes | 256,424 | 1,374 | 897 | 444 | 17,450 | 4,545 | 277 | 1,209 | 703 | 229,525 |
| Assistance to individuals | 4,362,418 | — | — | — | — | — | — | — | — | 4,362,418 |
| Occupancy | 65,396 | — | — | — | 19,457 | — | — | — | — | 45,939 |
| Supplies | 61,408 | 5 | — | — | 60 | — | — | — | — | 61,343 |
| Professional fees | 287,517 | 2,833 | 284 | — | 13,583 | 3,569 | — | 2,202 | — | 265,046 |
| Local transportation | 29,732 | — | — | — | — | — | — | — | — | 29,732 |
| Equipment purchases | 916 | — | — | — | — | — | — | — | — | 916 |
| Telephone | 19,493 | — | — | — | 293 | — | — | — | — | 19,200 |
| Awards and grants | — | — | — | — | — | — | — | — | — | — |
| Conferences and meetings | 141,149 | — | — | — | 274 | — | — | — | — | 140,875 |
| Travel | 16,913 | — | 1,068 | — | — | 255 | — | 238 | — | 15,352 |
| Rental and equipment maintenance | 101,947 | 227 | — | — | 10,628 | — | — | — | — | 91,092 |
| Printing and publications | 44,838 | — | — | — | 204 | — | — | — | — | 44,634 |
| Insurance | 64,607 | — | — | — | 2,500 | — | — | — | — | 62,107 |
| Postage and shipping | 8,165 | — | — | — | 581 | — | — | — | — | 7,584 |
| Miscellaneous | 4,119 | — | — | — | — | — | — | — | — | 4,119 |
| Total Expenses | 7,900,267 | 25,223 | 9,299 | 6,827 | 126,972 | 78,781 | 4,251 | 21,426 | 10,914 | 7,616,574 |
| Change In Net Assets From Operating Activities | 15,362 | 175 | — | 54 | 541 | 602 | — | 151 | 86 | 13,753 |
| Pension-Related Benefits (Costs) Other Than Net Periodic Pension Cost | (15,362) | (175) | — | (54) | (541) | (602) | — | (151) | (86) | (13,753) |
| Change In Net Assets | — | — | — | — | — | — | — | — | — | — |
| Transfers | — | — | — | — | — | — | — | — | — | — |
| Net Assets | | | | | | | | | | |
| Beginning of year | — | — | — | — | — | — | — | — | — | — |
| End of year | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
UNRESTRICTED CONTRACTUAL

Page 3 Of 5
December 31, 2014

| | Total To Preceding Page | LIHEAP Laclede | IL WX BPI Training | IL WX Tech Training | WIA Summer Youth St. Louis County | WIA Youth St. Louis County | MO Foundation For Health | State Farm Housing | Illinois Attorney General | Total From Following Page |
|--|-------------------------------|-------------------|--------------------------|---------------------------|---|----------------------------------|--------------------------------|--------------------------|---------------------------------|---------------------------------|
| Support And Revenue | | | | | | | | | | |
| Contributions and special purpose revenue | \$ 428,298 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 428,298 |
| United Way of Greater St. Louis: 2014 | — | — | — | — | — | — | — | — | — | — |
| Unassociated fund raising | — | — | — | — | — | — | — | — | — | — |
| Grants from governmental agencies | 6,445,387 | 375,720 | 196,488 | 97,435 | 400,000 | 653,022 | — | — | 39,278 | 4,683,444 |
| Net assets released from restrictions | 756,642 | — | — | — | — | — | 111,891 | 30,000 | — | 614,751 |
| Total Support And Revenue | 7,630,327 | 375,720 | 196,488 | 97,435 | 400,000 | 653,022 | 111,891 | 30,000 | 39,278 | 5,726,493 |
| Expenses | | | | | | | | | | |
| Salaries | 1,931,778 | 165,320 | 80,990 | 27,345 | 11,851 | 436,543 | 53,446 | 20,859 | 28,311 | 1,107,113 |
| Employee health and retirement benefits | 304,914 | 30,600 | 16,135 | 4,757 | (30,162) | 79,163 | 8,786 | 3,926 | 6,067 | 185,642 |
| Payroll taxes | 229,525 | 13,871 | 7,358 | 2,410 | 39,172 | 44,051 | 3,539 | 2,216 | 2,508 | 114,400 |
| Assistance to individuals | 4,362,418 | 146,420 | 8,085 | 5,445 | 371,228 | 20,586 | 20 | — | — | 3,810,634 |
| Occupancy | 45,939 | 1,906 | 6,000 | 11,003 | — | — | — | — | 640 | 26,390 |
| Supplies | 61,343 | 1,577 | 1,438 | 2,501 | 4,042 | 9,724 | 4,944 | — | — | 37,117 |
| Professional fees | 265,046 | 3,611 | 2,709 | 303 | 59 | 37,766 | 25,671 | 2,999 | 1,752 | 190,176 |
| Local transportation | 29,732 | 52 | — | — | — | — | 8,094 | — | — | 21,586 |
| Equipment purchases | 916 | — | — | — | — | — | — | — | — | 916 |
| Telephone | 19,200 | 1,689 | 1,310 | 335 | 24 | 98 | 1,609 | — | — | 14,135 |
| Awards and grants | — | — | — | — | — | — | — | — | — | — |
| Conferences and meetings | 140,875 | 906 | 61,750 | 42,750 | — | 6,202 | — | — | — | 29,267 |
| Travel | 15,352 | 1,860 | 269 | — | 3,295 | 4,469 | 674 | — | — | 4,785 |
| Rental and equipment maintenance | 91,092 | 2,078 | 835 | 147 | 195 | 8,834 | — | — | — | 79,003 |
| Printing and publications | 44,634 | 3,859 | 8,718 | 194 | 212 | 463 | 3,820 | — | — | 27,368 |
| Insurance | 62,107 | — | — | — | — | — | 1,000 | — | — | 61,107 |
| Postage and shipping | 7,584 | 304 | 125 | — | 84 | 587 | 288 | — | — | 6,196 |
| Miscellaneous | 4,119 | — | 766 | 245 | — | 14 | — | — | — | 3,094 |
| Total Expenses | 7,616,574 | 374,053 | 196,488 | 97,435 | 400,000 | 648,500 | 111,891 | 30,000 | 39,278 | 5,718,929 |
| Change In Net Assets From Operating Activities | 13,753 | 1,667 | — | — | — | 4,522 | — | — | — | 7,564 |
| Pension-Related Benefits (Costs) Other Than Net Periodic Pension Cost | (13,753) | (1,667) | — | — | — | (4,522) | — | — | — | (7,564) |
| End of year | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
UNRESTRICTED CONTRACTUAL

Page 4 Of 5
December 31, 2014

| | Total To Preceding Page | AB Entrepren- uerial | 2010 Weatheri- zation | Ameren UE Weatheri- zation | Laclede Weatheri- zation | LIHEAP Weatheri- zation | Honeywell Weatheri- zation | Weatheri- zation Multi-Family | Total From Following Page |
|--|-------------------------------|----------------------------|-----------------------------|----------------------------------|--------------------------------|-------------------------------|----------------------------------|-------------------------------------|---------------------------------|
| Support And Revenue | | | | | | | | | |
| Contributions and special purpose revenue | \$ 428,298 | \$ — | \$ — | \$ 234,692 | \$ 193,606 | \$ — | \$ — | \$ — | \$ — |
| United Way of Greater St. Louis: 2014 | — | — | — | — | — | — | — | — | — |
| Unassociated fund raising | — | — | — | — | — | — | — | — | — |
| Grants from governmental agencies | 4,683,444 | — | 424,594 | — | — | 137,965 | — | — | 4,120,885 |
| Net assets released from restrictions | 614,751 | 3,049 | — | — | — | — | 391,866 | 113,298 | 106,538 |
| Total Support And Revenue | 5,726,493 | 3,049 | 424,594 | 234,692 | 193,606 | 137,965 | 391,866 | 113,298 | 4,227,423 |
| Expenses | | | | | | | | | |
| Salaries | 1,107,113 | — | 152,658 | 50,942 | 52,170 | 47,422 | 246,338 | 43,508 | 514,075 |
| Employee health and retirement benefits | 185,642 | — | 15,673 | 9,428 | 9,671 | 16,183 | 52,079 | 8,097 | 74,511 |
| Payroll taxes | 114,400 | 2 | 24,403 | 5,035 | 5,709 | 4,206 | 20,859 | 3,599 | 50,587 |
| Assistance to individuals | 3,810,634 | 560 | 137,096 | 115,358 | 71,578 | 52,649 | 3,712 | 9,181 | 3,420,500 |
| Occupancy | 26,390 | — | 3,465 | 3,000 | 1,675 | 1,000 | — | — | 17,250 |
| Supplies | 37,117 | 150 | 4,369 | 6,519 | 5,589 | 656 | 6,239 | 3,177 | 10,418 |
| Professional fees | 190,176 | 1,925 | 47,752 | 22,468 | 19,762 | 12,864 | 43,713 | 14,442 | 27,250 |
| Local transportation | 21,586 | — | 11,796 | 1,805 | 7,973 | — | 12 | — | — |
| Equipment purchases | 916 | — | — | — | — | — | — | — | 916 |
| Telephone | 14,135 | — | 6,260 | — | 2,988 | 316 | 793 | — | 3,778 |
| Awards and grants | — | — | — | — | — | — | — | — | — |
| Conferences and meetings | 29,267 | 112 | 4,824 | 1,900 | 184 | — | — | — | 22,247 |
| Travel | 4,785 | — | (6,685) | — | — | — | 3,337 | 1,211 | 6,922 |
| Rental and equipment maintenance | 79,003 | — | 2,136 | 4,940 | 2,497 | — | 2,289 | 19,674 | 47,467 |
| Printing and publications | 27,368 | 300 | 4,928 | — | 2,419 | 169 | — | 720 | 18,832 |
| Insurance | 61,107 | — | 11,777 | 13,297 | 11,206 | 2,500 | 10,528 | 9,250 | 2,549 |
| Postage and shipping | 6,196 | — | 1,904 | — | 125 | — | 72 | — | 4,095 |
| Miscellaneous | 3,094 | — | 515 | — | 60 | — | — | — | 2,519 |
| Total Expenses | 5,718,929 | 3,049 | 422,871 | 234,692 | 193,606 | 137,965 | 389,971 | 112,859 | 4,223,916 |
| Change In Net Assets From Operating Activities | 7,564 | — | 1,723 | — | — | — | 1,895 | 439 | 3,507 |
| Pension-Related Benefits (Costs) Other Than Net Periodic Pension Cost | (7,564) | — | (1,723) | — | — | — | (1,895) | (439) | (3,507) |
| End of year | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
UNRESTRICTED CONTRACTUAL

Page 5 Of 5
December 31, 2014

| | Total To Preceding Page | LIHEAP Heat UP STL | St. Louis Alliance | Housing Advocacy | LIHEAP | Utilicare | Affordable Housing Shelter | Norman Cash Assistance | HPRP STLC | FEMA STLC | FEMA SCC |
|---|-------------------------------|-----------------------|-----------------------|---------------------|------------------|----------------|----------------------------------|------------------------------|---------------|---------------|--------------|
| Support And Revenue | | | | | | | | | | | |
| Contributions and special purpose revenue | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| United Way of Greater St. Louis: 2014 | — | — | — | — | — | — | — | — | — | — | — |
| Unassociated fund raising | — | — | — | — | — | — | — | — | — | — | — |
| Grants from governmental agencies | 4,120,885 | — | 33,354 | 18,952 | 3,515,052 | 308,445 | 49,803 | 80,547 | 98,138 | 10,094 | 6,500 |
| Net assets released from restrictions | 106,538 | 106,538 | — | — | — | — | — | — | — | — | — |
| Total Support And Revenue | 4,227,423 | 106,538 | 33,354 | 18,952 | 3,515,052 | 308,445 | 49,803 | 80,547 | 98,138 | 10,094 | 6,500 |
| Expenses | | | | | | | | | | | |
| Salaries | 514,075 | 8,253 | 15,792 | 10,234 | 426,251 | 19,646 | 11,263 | — | 22,636 | — | — |
| Employee health and retirement benefits | 74,511 | — | 3,214 | 2,229 | 61,382 | 351 | 2,405 | — | 4,930 | — | — |
| Payroll taxes | 50,587 | 684 | 1,226 | 955 | 41,986 | 1,903 | 877 | — | 2,956 | — | — |
| Assistance to individuals | 3,420,500 | 98,173 | 12,963 | — | 2,832,385 | 284,395 | 34,258 | 74,364 | 67,616 | 9,943 | 6,403 |
| Occupancy | 17,250 | — | — | — | 17,250 | — | — | — | — | — | — |
| Supplies | 10,418 | — | — | — | 9,504 | 914 | — | — | — | — | — |
| Professional fees | 27,250 | — | — | 2,389 | 17,544 | — | 886 | 6,183 | — | 151 | 97 |
| Local transportation | — | — | — | — | — | — | — | — | — | — | — |
| Equipment purchases | 916 | — | — | — | 916 | — | — | — | — | — | — |
| Telephone | 3,778 | — | — | — | 3,778 | — | — | — | — | — | — |
| Awards and grants | — | — | — | — | — | — | — | — | — | — | — |
| Conferences and meetings | 22,247 | — | — | — | 21,544 | 703 | — | — | — | — | — |
| Travel | 6,922 | (572) | — | 3,072 | 3,889 | 533 | — | — | — | — | — |
| Rental and equipment maintenance | 47,467 | — | — | 12 | 47,455 | — | — | — | — | — | — |
| Printing and publications | 18,832 | — | — | — | 18,832 | — | — | — | — | — | — |
| Insurance | 2,549 | — | — | — | 2,549 | — | — | — | — | — | — |
| Postage and shipping | 4,095 | — | — | — | 4,095 | — | — | — | — | — | — |
| Miscellaneous | 2,519 | — | — | — | 2,519 | — | — | — | — | — | — |
| Total Expenses | 4,223,916 | 106,538 | 33,195 | 18,891 | 3,511,879 | 308,445 | 49,689 | 80,547 | 98,138 | 10,094 | 6,500 |
| Change In Net Assets From Operating Activities | 3,507 | — | 159 | 61 | 3,173 | — | 114 | — | — | — | — |
| Pension-Related Benefits (Costs) Other Than Net Periodic Pension Cost | (3,507) | — | (159) | (61) | (3,173) | — | (114) | — | — | — | — |
| End of year | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

SCHEDULE OF INDIRECT COST RATE**For The Year Ended December 31, 2014**

| Description | Total Costs | Unallowable Costs | Allowable Costs |
|---|------------------------|------------------------------|----------------------------|
| Supporting Services Management And General | | | |
| Salaries | \$ 1,267,229 | \$ — | \$ 1,267,229 |
| Employee health and retirement benefits | 249,689 | — | 249,689 |
| Payroll taxes | 184,197 | 24 | 184,173 |
| Assistance to individuals | — | 1,210 | (1,210) |
| Occupancy | 240,385 | — | 240,385 |
| Supplies | 76,815 | 25,800 | 51,015 |
| Professional fees | 161,490 | 18,211 | 143,279 |
| Local transportation | 16,083 | 20 | 16,063 |
| Telephone | 18,494 | 362 | 18,132 |
| Awards and grants | 8,962 | 8,962 | — |
| Conferences and meetings | 78,725 | 69,863 | 8,862 |
| Travel | 24,843 | 22,203 | 2,640 |
| Rental and equipment maintenance | 116,800 | 8,548 | 108,252 |
| Printing and publications | 11,439 | 9,202 | 2,237 |
| Insurance | — | — | — |
| Postage and shipping | 5,788 | 466 | 5,322 |
| Miscellaneous | 40,429 | 59,850 | (19,421) |
| Membership dues | 12,404 | 9,929 | 2,475 |
| Dues to national organization | 15,000 | 15,000 | — |
| Depreciation | 118,549 | — | 118,549 |
| Total general overhead | \$ 2,649,339 | \$ 249,650 | \$ 2,399,689 |
| Direct Program Costs | | | \$ 15,225,449 |
| Indirect Cost Rate | | | <u>15.76%</u> |

See the accompanying independent auditors' report on supplementary information and notes to schedule of indirect cost rate.

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

NOTES TO SCHEDULE OF INDIRECT COST RATE

December 31, 2014

1. Basis Of Accounting

The Schedule of Indirect Cost Rate (the Schedule) is prepared on the basis of accounting practices prescribed by *OMB Circular A-122, Cost Principles for Non-profit Organizations*. Accordingly, the Schedule is not intended to present general overhead and the indirect cost rate in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, the allowable costs included in the above-mentioned schedule do not include any costs which are unallowable under the above cost principles, including but not limited to advertising and public relation costs, contributions and donations not specifically required by a contract, entertainment costs, fines, penalties, lobbying costs, and goodwill amortization or other such costs as defined by *OMB Circular A-122, Cost Principles for Non-profit Organizations*.

The preparation of the Schedule necessarily requires management to make estimates and assumptions that affect the reported amounts of expense during the reporting period. Actual results could differ from those estimates.

2. Definition Of Terms

Direct Program Costs

Represent any expense which is incurred by the League that is specifically identified and used by a program of the League. Direct program costs exclude capital expenditures (buildings, individual items of equipment; alterations and renovations). Fringe benefits applicable to direct salaries and wages are treated as direct costs. Sick leave, holiday, and other paid absences are included in salaries and wages and are claimed on grants, contracts, and other agreements as part of the normal cost for salaries and wages. Separate claims for these absences are not made. Vacation pay is accrued and charged the same as other fringe benefits.

General Overhead

Includes any management, financial and other indirect expense which is incurred by the League for the general management and operation of all programs as a whole.

Unallowable Costs

The League identifies unallowable costs through a post-year end analysis. Unallowable costs are defined under *OMB Circular A-122, Cost Principles For Non-Profit Organizations*.

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

WEATHERIZATION PROGRAM SCHEDULE OF REVENUE AND EXPENDITURES
For The Period Beginning January 1, 2013 And Ended December 31, 2014

| Program Subgrantee Number Program Year Ended | Ameren UE Weatherization G14-11-0028-3-08 10/31/2014 | Laclede Weatherization G14-10-0171-3-08 10/31/2014 | Dept. of Energy Weatherization G12-EE00195-4-08 6/30/2014 | Dept. of Energy Weatherization G-13-EE0006164-08 6/30/2014 | Dept. of Energy Weatherization G-14-EE00006164-2-08-4-08 6/30/2015 | LIHEAP Weatherization G-13-LIHEAP-14-08 9/30/2014 | LIHEAP Weatherization G-15-LIHEAP-15-08 9/30/2015 |
|--|---|---|--|---|---|--|--|
| Energy Center | | | | | | | |
| Beginning Agency Fund Balance | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Grant income | 233,139 | 192,132 | 1,535,734 | 198,873 | 151,534 | 72,281 | 53,174 |
| Expenditures | | | | | | | |
| Administration | 20,827 | 17,107 | 93,544 | 19,761 | 13,576 | 7,228 | 4,834 |
| Insurance | 1,060 | 1,037 | 10,519 | 600 | 690 | 500 | — |
| Program operations | 209,882 | 172,618 | 1,416,521 | 177,142 | 135,760 | 63,753 | 48,340 |
| Other | 1,370 | 1,370 | 9,150 | 1,370 | 784 | 800 | — |
| Training and technical assistance | — | — | 6,000 | — | 724 | — | — |
| Total expenditures | 233,139 | 192,132 | 1,535,734 | 198,873 | 151,534 | 72,281 | 53,174 |
| Ending Agency Fund Balance | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Subgrantee | | | | | | | |
| Beginning Agency Fund Balance | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Grant income | 233,139 | 192,132 | 1,535,734 | 198,873 | 151,534 | 72,281 | 53,174 |
| Expenditures | | | | | | | |
| Administration | 20,827 | 17,107 | 93,544 | 19,761 | 13,576 | 7,228 | 4,834 |
| Insurance | 1,060 | 1,037 | 10,519 | 600 | 690 | 500 | — |
| Program operations | 209,882 | 172,618 | 1,416,521 | 177,142 | 135,760 | 63,753 | 48,340 |
| Other | 1,370 | 1,370 | 9,150 | 1,370 | 784 | 800 | — |
| Training and technical assistance | — | — | 6,000 | — | 724 | — | — |
| Total expenditures | 233,139 | 192,132 | 1,535,734 | 198,873 | 151,534 | 72,281 | 53,174 |
| Ending Agency Fund Balance | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

**WEATHERIZATION PROGRAM FUND BALANCE RECONCILIATION
For The Period Beginning January 1, 2013 And Ended December 31, 2014**

| Program Subgrantee Number Program Year Ended | Ameren UE Weatherization G14-11-0028-3-08 10/31/2014 | Laclede Weatherization G14-10-0171-3-08 10/31/2014 | Dept. of Energy Weatherization G12-EE00195-4-08 6/30/2014 | Dept. of Energy Weatherization G-09-16-ARRA-08 6/30/2014 | Dept. of Energy Weatherization G-14-EE00006164-2-08-4-08 6/30/2015 | LIHEAP Weatherization G-13-LIHEAP-14-08 9/30/2014 | LIHEAP Weatherization G-15-LIHEAP-15-08 9/30/2015 |
|--|---|---|--|---|---|--|--|
| Beginning Agency Fund Balance (Carryover) | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Grant revenue received during program year | 233,139 | 192,132 | 1,535,734 | 198,873 | 151,534 | 72,281 | 53,174 |
| Less expenditures during program year | 233,139 | 192,132 | 1,535,734 | 198,873 | 151,534 | 72,281 | 53,174 |
| Agency Ending Fund Balance (Carryover) | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Ending Cash On Hand | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Ending Inventory | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2014

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Amount Expended |
|--|---------------------------|-------------------------------------|---------------------|
| Department of Housing and Urban Development: | | | |
| Passed-through the City of St. Louis - Homeless Prevention and Rapid Re-Housing Program | 14.257 | 60620 | \$ 98,138 |
| Passed-through the National Urban League - Housing and Urban Development Emergency Homeowner's Loan Program (EHLP) | 14.169 | n/a | 4,251 |
| Passed-through the International Institute - Housing and Urban Development | 14.421 | n/a | <u>11,000</u> |
| Total Department of Housing and Urban Development | | | <u>113,389</u> |
| US Department of Treasury: | | | |
| Passed-through National Urban league - Foreclosure Mitigation | 21.000 | PL110-161: 95X1350 | <u>79,384</u> |
| Total US Department of Treasury | | | <u>79,384</u> |
| Department of Labor: | | | |
| WIA Service - Cluster: | | | |
| Workforce Development: | | | |
| Passed-through the St. Louis County Department of Human Services/Workforce Development - WIA Youth Program | 17.259 | 5295 | <u>1,053,021</u> |
| Total Department of Labor | | | <u>\$ 1,053,021</u> |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)*

For The Year Ended December 31, 2014

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Amount Expended |
|--|---------------------------|-------------------------------------|--------------------|
| Department of Homeland Security: | | | |
| <i>Emergency Food and Shelter Program - Cluster</i> | | | |
| Passed-through the United Way of America: | | | |
| Emergency Food and Shelter - St. Clair County | 97.024 | 21-2542-00-007 | \$ 6,500 |
| Emergency Food and Shelter - City of St. Louis | 97.024 | 21-5516-00-013 | 10,094 |
| Emergency Food and Shelter - St. Louis County | 97.024 | 21-5476-00-007 | 10,277 |
| Total CFDA #97.024 | | | <u>26,871</u> |
| Total Department of Homeland Security and Cluster | | | <u>26,871</u> |
| Department of Energy: | | | |
| Passed-through the State of Missouri Department of Natural Resources - Weatherization | 81.042 | G-09-16-2600-08 | 424,593 |
| Passed-through the State of Missouri Department of Natural Resources - Weatherization LIHEAP | 81.042 | G-12-LIHEAP-13-08 | 137,965 |
| Total CFDA #81.042 | | | <u>562,558</u> |
| Total Department of Energy | | | <u>\$ 562,558</u> |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)*

For The Year Ended December 31, 2014

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Amount Expended |
|---|---------------------------|-------------------------------------|----------------------|
| Department of Agriculture: | | | |
| <i>Emergency Food Assistance - Cluster</i> | | | |
| Passed-through the State of Missouri Department of Social Services Emergency Food Assistance Program | 10.569 | n/a | \$ 205,075 |
| Total CFDA #10.569 And Emergency Food Assistance Cluster | | | <u>205,075</u> |
| Passed-through the State of Missouri Department of Health and Senior Services - Head Start USDA Reimbursement | 10.558 | ERS46-10 1171 | 241,323 |
| Passed-through the State of Missouri Department of Health and Senior Services - Head Start USDA Reimbursement | 10.558 | ERS46-11 1171 | <u>108,895</u> |
| Total CFDA #10.558 | | | <u>350,218</u> |
| Total Department of Agriculture | | | <u>555,293</u> |
| Department of Health and Human Services: | | | |
| <i>Headstart Cluster</i> | | | |
| Passed-through the YWCA - Head Start Total CFDA #93.600 and Headstart Cluster | 93.600 | n/a | <u>5,617,110</u> |
| Passed-through the State of Missouri Department of Social Services - LIHEAP | 93.568 | G-11BIMOLIEA | 3,515,052 |
| Passed-through the State of Missouri Department of Social Services - LIHEAP Utilicare | 93.568 | G-11BIMOLIEA | 308,445 |
| Passed-through St. Louis Area Agency on Aging - Navigator Program | 93.750 | n/a | <u>21,577</u> |
| Total Department of Health and Human Services | | | <u>9,462,184</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 11,852,700</u> |

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

NOTES TO SCHEDULE OF FEDERAL AWARDS

For The Year Ended December 31, 2014

1. Organization

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of The Urban League of Metropolitan St. Louis, Inc. (the League) for the year ended December 31, 2014. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2. Basis Of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the League and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Low Income Home Energy Assistance Program Subrecipient Reporting Requirements

The federal funds awarded for the fiscal grant year under the terms and conditions of the grant contract number indicated below are provided from:

| | |
|--|---|
| Granting Federal Agency | Department of Health and Human Services |
| Grant Award Number | G-11B1MOLIEA |
| Grant Award Year | 2014 |
| Catalog of Federal Domestic Assistance (CDFA) Number | 93.568 |
| CDFA Grant Name | Low Income Home Energy Assistance Program |

Grant Year FFY 2014

| | |
|---|---------------------|
| Grant Award (federal funds passed through) | \$ 3,515,052 |
| Nonfederal matching funds required to be provided by subrecipient | — |
| Nonfederal matching funds provided by the Department of Social Services | — |
| Total contract amount grant year FFY2014 | <u>\$ 3,515,052</u> |

**Independent Auditors' Report On
Internal Control Over Financial
Reporting And On Compliance And Other
Matters Based On An Audit Of
Financial Statements Performed In Accordance
With *Government Auditing Standards***

Audit and Finance Committee
The Urban League of Metropolitan St. Louis, Inc.
St. Louis, Missouri

We have audited, in accordance with the 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, the financial statements of The Urban League of Metropolitan St. Louis, Inc. (the League) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise The Urban League of Metropolitan St. Louis, Inc.'s basic financial statements, and have issued our report thereon dated June 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the League's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the League's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the League's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness in internal control* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness in internal control, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the League's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Urban League of Metropolitan St. Louis, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

June 29, 2015

**Independent Auditors' Report
On Compliance For Each Major Program
And Report On Internal Control Over
Compliance Required By OMB Circular A-133**

Audit and Finance Committee
The Urban League of Metropolitan St. Louis, Inc.
St. Louis, Missouri

Report On Compliance For Each Major Federal Program

We have audited The Urban League of Metropolitan St. Louis, Inc.'s (the League's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the League's major federal programs for the year ended December 31, 2014. The League's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the League's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the League's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the League's compliance.

Opinion On Each Major Federal Program

In our opinion, The Urban League of Metropolitan St. Louis, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report On Internal Control Over Compliance

Management of The Urban League of Metropolitan St. Louis, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the League's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the League's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

RubinBrown LLP

June 29, 2015

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended December 31, 2014

Section I - Summary Of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

Identification of major programs:

| <i>CFDA Number(s)</i> | <i>Name of Federal Program or Cluster</i> |
|------------------------------|--|
| 10.558 | Head Start USDA Reimbursement |
| 17.259 | WIA Service Cluster |
| 81.042 | Weatherization Program |
| 93.568 | Low Income Home Energy Assistance Program |

Dollar threshold used to distinguish between type A and type B programs: \$ 355,581

Auditee qualified as low-risk auditee? yes no

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

For The Year Ended December 31, 2014

Section II - Financial Statement Findings

None

Section III - Federal Award Findings And Questioned Costs

None

THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For The Year Ended December 31, 2014

None