

***LEAGUE FOR THE DEAF
AND HARD OF HEARING
AND EAR FOUNDATION***

FINANCIAL STATEMENTS

JUNE 30, 2009 and 2008

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 168,649	\$ 136,894
Promises to give	32,483	130,218
Accounts receivable, net of allowance for uncollectible accounts of \$7,500 in 2009 and \$2,880 in 2008	94,257	57,880
Grants receivable	12,536	12,489
Loans receivable, net of allowance for uncollectible loans of \$3,595 in 2009	7,285	4,688
Prepaid expenses	2,967	-
Total current assets	<u>318,177</u>	<u>342,169</u>
INVESTMENTS IN MARKETABLE SECURITIES	7,221	8,927
NET PROPERTY AND EQUIPMENT	<u>1,182,626</u>	<u>1,215,684</u>
TOTAL ASSETS	<u>\$ 1,508,024</u>	<u>\$ 1,566,780</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 29,367	\$ 15,553
Total current liabilities	<u>29,367</u>	<u>15,553</u>
NET ASSETS:		
Unrestricted	1,433,941	1,418,487
Temporarily restricted	44,716	132,740
Total net assets	<u>1,478,657</u>	<u>1,551,227</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,508,024</u>	<u>\$ 1,566,780</u>

The accompanying notes are an integral part of the financial statements.

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Contributions	\$ 59,911	\$ 44,483	\$ 104,394
Grants	192,058	-	192,058
Program service fees	545,990	-	545,990
Special events	37,569	-	37,569
Rental income	3,175	-	3,175
Net investment return	2,742	-	2,742
Miscellaneous income	1,092	-	1,092
Total	842,537	44,483	887,020
Net assets released from restrictions	132,507	(132,507)	-
Total revenues, gains and other support	975,044	(88,024)	887,020
EXPENSES:			
Program services	850,002	-	850,002
Fundraising	116,785	-	116,785
Management and general	142,765	-	142,765
Unrelated rental	8,169	-	8,169
Total expenses	1,117,721	-	1,117,721
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	(142,677)	(88,024)	(230,701)
OTHER CHANGES IN NET ASSETS:			
Contribution of net assets from The EAR Foundation	158,131	-	158,131
CHANGE IN NET ASSETS	15,454	(88,024)	(72,570)
NET ASSETS:			
Beginning of year	1,418,487	132,740	1,551,227
End of year	\$ 1,433,941	\$ 44,716	\$ 1,478,657

The accompanying notes are an integral part of the financial statements.

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Contributions	\$ 63,672	\$ 100,863	\$ 164,535
Grants	174,361	75,705	250,066
Program service fees	485,163	-	485,163
Special events	31,679	-	31,679
Rental income	37,500	-	37,500
Net investment return	5,662	-	5,662
Miscellaneous income	5,388	-	5,388
Total	803,425	176,568	979,993
Net assets released from restrictions	132,379	(132,379)	-
Total revenues, gains and other support	935,804	44,189	979,993
EXPENSES:			
Program services	723,520	-	723,520
Fundraising	27,701	-	27,701
Management and general	210,361	-	210,361
Unrelated rental	28,355	-	28,355
Total expenses	989,937	-	989,937
CHANGE IN NET ASSETS	(54,133)	44,189	(9,944)
NET ASSETS:			
Beginning of year	1,472,620	88,551	1,561,171
End of year	\$ 1,418,487	\$ 132,740	\$ 1,551,227

The accompanying notes are an integral part of the financial statements.

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (230,701)	\$ (9,944)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	43,241	46,570
Unrealized (gains) losses on investments	1,706	(3,857)
Loss on disposal of assets	-	25,822
Provision for uncollectible accounts and loans receivable	8,215	-
Net changes in operating assets and liabilities:		
Promises to give and other receivables	56,691	(59,917)
Prepaid expenses	(2,967)	-
Accounts payable and accrued liabilities	13,814	(3,087)
Net cash used in operating activities	<u>(110,001)</u>	<u>(4,413)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Collection of loans receivable	3,858	3,956
Issuance of loans receivable	(2,100)	(4,000)
Purchases of property and equipment	(10,183)	-
Contribution of net assets from The EAR Foundation	150,181	-
Net cash provided by (used in) investing activities	<u>141,756</u>	<u>(44)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	31,755	(4,457)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>136,894</u>	<u>141,351</u>
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 168,649</u></u>	<u><u>\$ 136,894</u></u>

The accompanying notes are an integral part of the financial statements.

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	Program Services					Supporting Services				Total Expenses
	Employment Services	Education	Interpreter Referral	Teen Center	Wellness	Total Program	Fundraising	Management and General	Unrelated Rental	
Salaries and employee benefits	\$ 14,124	\$ 59,535	\$ 162,213	\$ 59,717	\$ 47,901	\$ 343,490	\$ 65,683	\$ 94,644	\$ -	\$ 503,817
Telephone	630	2,247	7,470	2,867	1,400	14,614	1,782	1,516	-	17,912
Postage and mailing	185	555	1,401	592	318	3,051	3,505	415	-	6,971
Computer related	509	2,481	4,563	2,314	1,221	11,088	2,432	1,944	-	15,464
Conferences and workshops	-	-	475	13	-	488	220	1,020	-	1,728
Books, subscriptions and dues	1	-	1,082	13	6	1,102	226	2,489	-	3,817
Insurance	578	2,884	6,323	5,762	1,569	17,116	2,180	3,079	-	22,375
Utilities	223	3,078	6,085	1,968	1,651	13,005	2,169	1,640	552	17,366
Janitorial and grounds	54	554	1,158	618	304	2,688	380	377	1,490	4,935
Maintenance and repair	114	1,148	2,399	1,505	630	5,796	786	628	-	7,210
Equipment rental	67	675	1,412	754	371	3,279	463	463	-	4,205
Supplies	112	1,148	2,545	1,832	763	6,400	806	639	-	7,845
Taxes	-	-	-	-	-	-	-	-	5,217	5,217
Advertising and public relations	365	1,649	2,359	1,393	1,176	6,942	9,709	4,678	-	21,329
Professional fees - interpreters	-	-	308,107	138	573	308,818	-	-	-	308,818
Professional fees - other	461	5,047	11,174	6,409	2,801	25,892	3,216	14,267	-	43,375
Vehicles and travel	52	141	5,052	3,850	194	9,289	575	409	-	10,273
Youth activities	-	-	-	7,371	-	7,371	-	-	-	7,371
Class expenses and gifts	-	4,694	448	-	-	5,142	120	148	-	5,410
Fundraising expenses	-	-	-	-	-	-	17,445	-	-	17,445
Educational awareness	-	17,035	-	-	-	17,035	-	-	-	17,035
Loss on sale of assets	-	-	-	0	-	-	-	-	-	-
Staff and board development	120	350	780	715	186	2,151	260	1,840	-	4,251
Miscellaneous expense	10	2,146	739	652	2,555	6,102	574	4,660	-	11,336
Bad debts	-	-	5,380	-	-	5,380	-	3,595	-	8,975
Total expenses before depreciation	17,605	105,367	531,165	98,483	63,619	816,239	112,531	138,451	7,259	1,074,480
Depreciation	569	5,791	12,101	12,124	3,178	33,763	4,254	4,314	910	43,241
Total expenses	<u>\$ 18,174</u>	<u>\$ 111,158</u>	<u>\$ 543,266</u>	<u>\$ 110,607</u>	<u>\$ 66,797</u>	<u>\$ 850,002</u>	<u>\$ 116,785</u>	<u>\$ 142,765</u>	<u>\$ 8,169</u>	<u>\$ 1,117,721</u>

The accompanying notes are an integral part of the financial statements.

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

	Program Services							Supporting Services			
	Employment Services	Education	Interpreter Referral	Social Adjustment	Teen Center	Wellness	Total Program	Fundraising	Management and General	Unrelated Rental	Total Expenses
Salaries and employee benefit	\$ 38,328	\$ 9,147	\$ 143,275	\$ -	\$ 61,416	\$ 26,345	\$ 278,511	\$ 9,884	\$ 141,534	\$ -	\$ 429,929
Telephone	987	227	9,838	-	2,376	445	13,873	-	929	-	14,802
Postage and mailing	163	101	371	411	326	66	1,438	1,656	920	-	4,014
Computer related	863	60	2,794	120	693	141	4,671	60	2,291	-	7,022
Conferences and workshops	40	-	241	-	-	-	281	-	535	-	816
Books, subscriptions and dues	202	-	1,358	-	80	15	1,655	5	1,491	-	3,151
Insurance	1,556	1,053	7,804	367	10,429	974	22,183	-	5,131	1,467	28,781
Utilities	1,129	1,129	5,765	1,116	1,590	774	11,503	-	4,603	6,181	22,287
Janitorial and grounds	251	236	1,035	236	782	191	2,731	-	1,038	6,822	10,591
Maintenance and repair	565	595	1,909	621	3,116	451	7,257	84	2,575	2,964	12,880
Equipment rental	162	162	868	1,472	737	103	3,504	277	626	-	4,407
Supplies	437	1,232	1,277	458	1,794	1,697	6,895	150	3,981	245	11,271
Taxes	-	-	-	-	-	-	-	-	-	5,217	5,217
Advertising and public relations	2,892	3,751	9,675	346	6,704	1,492	24,860	7,222	5,771	-	37,853
Professional fees - interpreters	-	-	248,478	-	-	-	248,478	-	-	-	248,478
Professional fees - other	-	195	703	-	2,214	369	3,481	-	9,603	-	13,084
Vehicles and travel	646	-	8,046	-	4,410	-	13,102	-	291	-	13,393
Youth activities	-	-	-	-	11,297	-	11,297	-	-	-	11,297
Class expenses and gifts	-	4,575	100	-	-	-	4,675	-	345	-	5,020
Fundraising expenses	-	-	-	-	-	-	-	7,587	-	-	7,587
Educational awareness	-	2,000	-	-	-	-	2,000	-	-	-	2,000
Loss on sale of assets	-	-	-	-	23,786	-	23,786	-	2,036	-	25,822
Miscellaneous expense	419	120	1,038	702	2,153	249	4,681	-	16,023	-	20,704
Bad debts	-	-	2,960	-	-	-	2,960	-	-	-	2,960
Total expenses before depreciation	48,640	24,583	447,535	5,849	133,903	33,312	693,822	26,925	199,723	22,896	943,366
Depreciation	3,007	711	10,606	0	13,434	1,940	29,698	776	10,638	5,459	46,571
Total expenses	\$ 51,647	\$ 25,294	\$ 458,141	\$ 5,849	\$ 147,337	\$ 35,252	\$ 723,520	\$ 27,701	\$ 210,361	\$ 28,355	\$ 989,937

The accompanying notes are an integral part of the financial statements.

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

NOTE 1 – THE ENTITY

League for the Deaf and Hard of Hearing and EAR Foundation (the "League") operates to provide interpreters for the deaf and hard of hearing in educational, vocational, medical and legal situations. The League also provides the deaf and hard of hearing with information and referral services. The League is supported primarily through United Way, private grants, federal and state grants, service fees, and donor contributions.

Prior to its legal merger with The EAR Foundation in September 2008, the League was known as the League for the Deaf and Hard of Hearing. Effective with the merger, the organization's name was changed to its current name. At the date of the merger, The EAR Foundation contributed its remaining cash of \$150,181 and notes receivable of \$7,950 to the League. The EAR Foundation had no liabilities at the date of the merger. The assets that were contributed by The EAR Foundation were valued at their current values as of the date of the contribution. These financial statements include the operations of the merged organizations from the date of the contribution.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Periods

All references to 2009 and 2008 in these financial statements refer to the years ended June 30, 2009 and 2008 unless otherwise noted.

Financial Statement Presentation

The League is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted – This class includes net assets that are not subject to any donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted – This class includes net assets whose use by the League is subject to donor-imposed restrictions that can be fulfilled by actions of the League pursuant to those restrictions or that expire by the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Additionally, any temporarily restricted contributions whose restrictions are met in the same reporting year are shown as unrestricted revenues.

Permanently Restricted – This class includes net assets subject to donor-imposed restrictions that require the assets to be maintained permanently by the League. Generally, the donors of these assets permit the League to use all or part of the income earned on any related investments for general or specific purposes.

See Note 6 for further details related to net assets.

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2009 AND 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the League considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The League may, at times, maintain bank accounts whose balances exceed federally insured limits. However, the League has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

Investments in Marketable Securities

Under generally accepted accounting principles, investments are valued at fair value using various inputs. Level 1 inputs consist of unadjusted quoted market prices within active markets. Level 2 inputs consist primarily of quoted prices for similar assets in active or inactive markets. Level 3 inputs consist of significant unobservable inputs. The League's investments in marketable securities are reported at fair value, based on Level 1 inputs. Gains and losses, whether realized or unrealized, are included in the statement of activities and changes in net assets.

See Note 3 for further details related to investments.

Contributions and Promises to Give

Contributions are recognized as revenues when the donor makes a promise to give to the League that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The League also receives grant revenue from government agencies. Grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant.

The League uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2009 and 2008, management deemed all promises receivable to be fully collectible, and no allowances have been recorded.

See Note 4 for further details related to promises to give.

Receivables and Allowance for Uncollectible Accounts

Accounts receivable and loans receivable are stated at unpaid balances, less an allowance for uncollectible accounts. Grants receivable are recorded based on the incurrence of allowable expenditures. The League provides for losses on accounts receivable and loans receivable using the allowance method.

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Allowance for Uncollectible Accounts (Continued)

The allowance is estimated by management based upon historical experience, current economic conditions, and projections of trends. It is the League's policy to charge off uncollectible accounts receivable and loans receivable when management determines that the related receivable will not be collected.

Property and Equipment

Property and equipment in excess of \$1,000 are recorded at cost at the date of purchase or fair value at the date of gift. Depreciation expense is computed by using the straight-line method over the estimated useful lives of the related assets, which range from five to ten years for furniture and equipment and thirty five to ten years for furniture and equipment and thirty five years for the building.

See Note 5 for further details related to property and equipment.

Income Taxes

The League is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, and is not classified as a private foundation. Accordingly, no provision for income taxes is included in the accompanying financial statements.

Donated Materials and Services

Donated services are recognized, at fair value, if they create or enhance nonfinancial assets or require specialized skills and would be purchased by the League if not contributed. The League received a substantial amount of donated services from unpaid volunteers which did not meet the criteria for recognition.

Donated assets and rights or benefits (e.g. leases, etc.) are recognized at fair value on the date contributed.

Functional Allocation of Expenses

Expenses, which are directly related to a function, are charged to that function. Expenses that are related to more than one function are allocated to the applicable functions based upon various allocation methods in order to reflect the total cost of each function.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2009 AND 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain reclassifications have been made to the 2008 financial statements to make them consistent with the presentation in the 2009 financial statements. These reclassifications did not have a significant impact on the previously reported financial position, changes in net assets, and cash flows of the League.

Events Occurring After the Reporting Date

The League has evaluated events and transactions that occurred between June 30, 2009 and November 11, 2009, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 – INVESTMENTS IN MARKETABLE SECURITIES

The League's investments consist entirely of marketable equity securities, which are recorded at fair value using Level 1 inputs based on the quoted market prices of the shares of common stock held by the League. The League had no investments that required the use of Level 2 or Level 3 inputs. The fair value and cost of these investments in marketable equity securities were as follows at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Fair value	\$ 7,221	\$ 8,927
Cost	(1,338)	(1,338)
Net unrealized gains	<u>\$ 5,883</u>	<u>\$ 7,589</u>

The net investment return consisted of the following for 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Interest and dividend income	\$ 4,448	\$ 1,805
Net unrealized gains (losses)	(1,706)	3,857
Net investment return	<u>\$ 2,742</u>	<u>\$ 5,662</u>

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

NOTE 4 – PROMISES TO GIVE

Promises to give consisted of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
United Way	\$ 32,483	\$ 99,663
Baptist Healing Trust	-	30,555
Total promises to give	<u>\$ 32,483</u>	<u>\$ 130,218</u>

All of the above promises are intended to provide funding for the fiscal year following the date of the promise.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Land	\$ 479,354	\$ 479,354
Building and improvements	1,051,409	1,051,409
Office furniture and equipment	138,617	128,432
Vehicles	35,745	35,745
Total cost	1,705,125	1,694,940
Less accumulated depreciation	(522,499)	(479,256)
Property and equipment, net	<u>\$ 1,182,626</u>	<u>\$ 1,215,684</u>

NOTE 6 – NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
For subsequent fiscal year's operations:		
United Way	\$ 32,483	\$ 99,663
Baptist Healing Trust	-	30,555
Memorial Foundation	10,000	-
For specific purposes:		
Scholarships	1,522	2,522
Employment services computer lab	711	-
Total temporarily restricted net assets	<u>\$ 44,716</u>	<u>\$ 132,740</u>

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2009 AND 2008

NOTE 6 – NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restrictions or by the passage of time restrictions during 2009 and 2008 as follows:

	<u>2009</u>	<u>2008</u>
Passage of time restrictions:		
United Way	\$ 99,663	\$ 85,229
Baptist Healing Trust	30,555	45,150
Satisfaction of specific purposes:		
Scholarships	1,000	2,000
Employment services computer lab	1,289	-
Total net assets released from restrictions	<u>\$ 132,507</u>	<u>\$ 132,379</u>

NOTE 7 – EMPLOYEE BENEFIT PLAN

The League maintains a retirement benefit plan. Effective January 1, 2009, the plan was converted to a 401(k) profit sharing plan. Employees are eligible to participate in the 401(k) plan after completing one year of service and attaining age twenty-one. The League matches employee contributions to the plan for all eligible employees in an amount equal to the lesser of 100% of salary reduction contributions deferred during the plan year or 3% of compensation. The defined contribution employee benefit plan was frozen and all contributions to the plan ceased effective December 31, 2008. Expenses related to these plans were \$11,211 and \$24,144 for 2009 and 2008, respectively.

NOTE 8 – COMMITMENTS

Grant expenditures are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements to the grantors would not be significant. Accordingly, no provision has been made for potential reimbursements.

During 1998, the League entered into a five-year lease with a tenant to occupy space in the League's building at a monthly rent of \$3,125. Both parties adopted an amendment during October 2003, for an increase of \$650 in exchange for additional space leased. In September 2008, the tenant vacated the premises, and the rental income ceased.

NOTE 9 – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the League to concentrations of credit risk principally consist of promises to give, accounts receivable, loans receivable and grants receivable. At June 30, 2009, two entities comprised the entire balance of promises to give and grants receivable. These same two entities accounted for approximately \$237,000 of contributions and grants recognized by the League during 2009. During 2009, one entity accounted for approximately 11% of program service fees.

LEAGUE FOR THE DEAF AND HARD OF HEARING AND EAR FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2009 AND 2008

NOTE 9 – CONCENTRATIONS OF CREDIT RISK (CONTINUED)

At June 30, 2008, three entities comprised the entire balance of promises to give and grants receivable. These same three entities accounted for approximately \$364,000 of contributions and grants recognized by the League during 2008. During 2008, one entity accounted for approximately 11% of program service fees.

NOTE 10 – FAIR VALUE MEASUREMENTS

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("SFAS 157") in order to establish a single definition of fair value and a framework for measuring fair value on a consistent basis. SFAS 157 also expands disclosures about fair value measurements. SFAS 157 applies whenever other authoritative literature requires or permits certain assets or liabilities to be measured at fair value, but does not expand the use of fair value. SFAS 157 was originally effective for financial statements issued for fiscal years beginning after November 15, 2007.

In early 2008, the FASB issued Staff Position (FSP) FAS-157-2, *Effective Date of FASB Statement No. 157*, which delayed, by one year, the effective date of SFAS 157 for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The delay pertains to items including, but not limited to, non-financial assets and non-financial liabilities initially measured at fair value in a business combination, non-financial assets (such as real estate or donations in kind) recorded at fair value at the time of donation, and long-lived assets measured at fair value for impairment assessment. The League does not expect SFAS 157 to have a significant effect on the determination of fair value related to non-financial assets and non-financial liabilities in the initial effective year.