

DUPAGE HOMEOWNERSHIP CENTER, INC.

**FINANCIAL STATEMENTS
AS OF APRIL 30, 2009 AND 2008**

TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
DuPage Homeownership Center, Inc.:

We have audited the accompanying statement of financial position of DuPage Homeownership Center, Inc. (the Corporation) as of April 30, 2009 and 2008, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of DuPage Homeownership Center, Inc. as of April 30, 2009 and 2008, and changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.


DUGAN & LOPATKA

Wheaton, Illinois
August 14, 2009

DUPAGE HOMEOWNERSHIP CENTER, INC.
BALANCE SHEET
APRIL 30, 2009 AND 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
CURRENT ASSETS:		
Cash - Unrestricted	\$ 150,295	\$ 122,844
- Temporarily restricted	13,102	14,455
Christ loan receivable	8,621	8,860
Grants receivable	20,804	15,617
Prepaid expenses	375	1,200
	<hr/>	<hr/>
Total current assets	193,197	162,976
PROPERTY AND EQUIPMENT:		
Office equipment	13,268	16,174
Less - Accumulated depreciation	6,010	9,578
	<hr/>	<hr/>
Net property and equipment	7,258	6,596
DEPOSITS		
	<hr/>	<hr/>
Total assets	500	500
	<hr/>	<hr/>
	\$ 200,955	\$ 170,072
	<hr/>	<hr/>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Capital lease obligation, current maturities	\$ 1,746	\$ 1,891
Deferred membership dues	925	5,975
Accounts payable and accrued expenses	4,355	1,500
	<hr/>	<hr/>
Total current liabilities	7,026	9,366
LONG-TERM LIABILITIES:		
Capital lease obligations, less current maturities	<hr/>	1,746
	<hr/>	<hr/>
Total liabilities	7,026	11,112
NET ASSETS:		
Unrestricted	170,724	135,645
Temporarily restricted	23,205	23,315
	<hr/>	<hr/>
Total net assets	193,929	158,960
	<hr/>	<hr/>
Total liabilities and net assets	\$ 200,955	\$ 170,072
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The accompanying notes are an integral part of this statement.

DUPAGE HOMEOWNERSHIP CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED APRIL 30, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
CHANGES IN NET ASSETS:						
Public support and revenues -						
Memberships dues	\$ 94,150	-	\$ 94,150	\$ 98,611	-	\$ 98,611
Grant and contract income	290,208	-	290,208	280,594	-	280,594
Donations and sponsorship	55,511	-	55,511	81,597	2,781	84,378
Cost reimbursements	6,328	-	6,328	4,110	-	4,110
Interest income	1,388	115	1,503	6,270	492	6,762
Total public support and revenue	447,585	115	447,700	471,182	3,273	474,455
Net assets released from restrictions	225	(225)	-	2,085	(2,085)	-
Net public support and revenue	447,810	(110)	447,700	473,267	1,188	474,455
FUNCTIONAL EXPENSES:						
Program services	384,848	-	384,848	372,701	-	372,701
Management and general	14,370	-	14,370	16,457	-	16,457
Fundraising	13,513	-	13,513	9,805	-	9,805
Total functional expenses	412,731	-	412,731	398,963	-	398,963
Change in net assets	35,079	(110)	34,969	74,304	1,188	75,492
NET ASSETS, Beginning of year	135,645	23,315	158,960	61,341	22,127	83,468
NET ASSETS, End of year	\$ 170,724	\$ 23,205	\$ 193,929	\$ 135,645	\$ 23,315	\$ 158,960

The accompanying notes are an integral part of this statement.

DUPAGE HOMEOWNERSHIP CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	\$ 34,969	\$ 75,492
Adjustments to change in total net assets to net cash provided by operating activities -		
Depreciation	2,096	874
(Increase) in receivables	(4,948)	4,151
(Increase) decrease in prepaid expenses	825	(500)
(Decrease) in deferred membership dues	(5,050)	(24,788)
Increase (decrease) in accounts payable and accrued expenses	<u>2,855</u>	<u>(1,600)</u>
Net cash provided by operating activities	30,747	53,629
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(2,759)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on capital lease	<u>(1,890)</u>	<u>(834)</u>
NET CHANGE IN CASH	26,098	52,795
CASH, Beginning of year	<u>137,299</u>	<u>84,504</u>
CASH, End of year	<u>\$ 163,397</u>	<u>\$ 137,299</u>
NON-CASH TRANSACTIONS		
Purchase of property and equipment through a capital lease	<u>\$ -</u>	<u>\$ 4,470</u>

The accompanying notes are an integral part of this statement.

DUPAGE HOMEOWNERSHIP CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED APRIL 30, 2009

	Program Services	Management and General	Fundraising	Total
FUNCTIONAL EXPENSES:				
Salaries	\$ 240,916	\$ 8,124	\$ 5,496	\$ 254,536
Payroll taxes	21,997	692	456	23,145
Retirement contribution	7,920	-	175	8,095
Facilities expense	29,243	1,097	988	31,328
Consumable office and equipment	16,165	635	1,777	18,577
Event expense	12,079	-	3,531	15,610
Printing and publications	5,382	108	79	5,569
Insurance	24,132	-	500	24,632
Depreciation	-	2,096	-	2,096
Professional fees	10,460	343	301	11,104
Dues and subscriptions	225	-	-	225
Credit reports	9,642	-	-	9,642
Miscellaneous	6,687	1,275	210	8,172
	<u>\$ 384,848</u>	<u>\$ 14,370</u>	<u>\$ 13,513</u>	<u>\$ 412,731</u>
Total functional expenses	<u>\$ 384,848</u>	<u>\$ 14,370</u>	<u>\$ 13,513</u>	<u>\$ 412,731</u>

The accompanying notes are an integral part of this statement.

DUPAGE HOMEOWNERSHIP CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED APRIL 30, 2008

	Program Services	Management and General	Fundraising	Total
FUNCTIONAL EXPENSES:				
Salaries	\$ 226,296	\$ 10,992	\$ 5,751	\$ 243,039
Payroll taxes	21,414	962	493	22,869
Retirement contribution	8,294	-	134	8,428
Facilities expense	33,975	1,745	1,047	36,767
Consumable office and equipment	13,841	452	752	15,045
Event expense	20,305	-	-	20,305
Printing and publications	2,026	60	1,070	3,156
Insurance	34,950	283	516	35,749
Depreciation	-	874	-	874
Professional fees	4,566	424	-	4,990
Dues and subscriptions	200	10	-	210
Credit reports	4,742	-	-	4,742
Miscellaneous	2,092	655	42	2,789
Total functional expenses	<u>\$ 372,701</u>	<u>\$ 16,457</u>	<u>\$ 9,805</u>	<u>\$ 398,963</u>

The accompanying notes are an integral part of this statement.

DUPAGE HOMEOWNERSHIP CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2009 AND 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES:

DuPage Homeownership Center, Inc. (the Corporation), a non-profit public/private partnership, was created to increase opportunities for first-time homebuyers in DuPage County, as well as preserve homeownership, through education, counseling, outreach and special assistance programs.

The Corporation was incorporated on May 6, 1991 in the State of Illinois.

Accounting Method -

The Corporation maintains its books and records on the accrual basis of accounting.

Use of Estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Concentration of Risk -

Financial instruments which potentially subject the Corporation to concentrations of credit risk consist principally of cash. The Corporation places its cash and deposits with high credit quality financial institutions; however, deposits occasionally exceed the federally insured limits.

Property and Equipment -

The Corporation capitalizes all expenditures for property and equipment in excess of \$500. Property and equipment are recorded at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Renewals and betterments of property are accounted for as additions to the asset accounts. Repair and maintenance charges are expensed as incurred.

Depreciation -

Depreciation expense is computed utilizing the straight-line depreciation method over the estimated useful lives ranging from 5 to 7 years.

Restricted and Unrestricted Revenue and Support -

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. At April 30, 2009 and 2008, temporarily restricted net assets consist of the following:

	<u>2009</u>	<u>2008</u>
Christ Fund	\$ <u>23,205</u>	\$ <u>23,315</u>

There are no permanently restricted net assets at April 30, 2009 and 2008.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES: (Continued)

Deferred Membership Dues -

Membership dues are deferred and recognized as revenue over the period to which they relate. Deferred membership dues of \$925 and \$5,975 were recorded at April 30, 2009 and 2008, respectively.

(2) INCOME TAXES:

The Corporation has been determined by the Internal Revenue Service to be exempt from Federal income tax under Section 501(a) as described under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

In accordance with FSP 48-3, the Corporation has elected to defer the implementation of FIN 48, "Accounting for Uncertainty in Income Taxes". The Corporation continues to follow the guidance included in FASB Statement No. 5, "Accounting for Contingencies".

(3) LINE OF CREDIT:

The Corporation has a \$30,000 line-of-credit agreement with a bank. The loan is due in December, 2009, bears interest at the prime rate (3.25% at April 30, 2009), and is secured by the assets of the Corporation. There were no outstanding borrowings at April 30, 2009 and 2008.

(4) COMMITMENTS:

The Corporation entered into a lease agreement for office space which expired October 31, 2008. The Corporation has been paying rent month-to-month since the lease expired. Rental expense for the years ended April 30, 2009 and 2008 was \$20,400 and \$20,100, respectively, which is included in facility expense.

The Corporation entered into lease agreements for equipment which expire at various dates through December, 2010. Lease payments, which have been included in consumable office equipment expense for the years ended April 30, 2009 and 2008, were \$4,164 and \$4,145, respectively.

Future minimum payments under these agreements are as follows:

For the year ending
April 30,

2010	\$	3,924
2011		1,962

(5) CAPITAL LEASE:

The Corporation has acquired a phone system under a capital lease which requires monthly payments of \$214 over 24 months. Future minimum payments required under this lease are as follows:

2010	\$ 1,927
Total minimum lease payments	1,927
Amount representing interest	<u>(181)</u>
Present value of net minimum lease payments	1,746
Less - Current portion	<u>(1,746)</u>
Long-term capital lease obligations	<u>\$ -</u>

The leased equipment, included in office equipment, had a net book value of \$3,353 and \$4,247 at April 30, 2009 and 2008, respectively.

(6) DEFINED CONTRIBUTION PLAN:

The Corporation has a defined contribution 403(b) plan (the Plan) covering substantially all employees. The Corporation can make discretionary contributions to the Plan. The Corporation made matching contributions of \$8,095 and \$8,428 for the years ended April 30, 2009 and 2008, respectively.

(7) SUBSEQUENT EVENT:

The Corporation received a \$60,000 grant in May, 2009, with \$30,000 received in fiscal year 2009-2010 and \$30,000 to be received in fiscal year 2010-2011. The grant is to be used for expenses incurred in the current fiscal year as it is received.