

Bridge Communities, Inc.
Audit Report
For the Year Ended June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bridge Communities, Inc.
Glen Ellyn, Illinois

We have audited the accompanying statement of financial position of **Bridge Communities, Inc.** at June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bridge Communities, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridge Communities Inc. at June 30, 2010 and 2009, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Selden Fox, Ltd.

October 18, 2010

Bridge Communities, Inc.
Statement of Financial Position
June 30,

Assets	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 343,044	\$ 286,048
Investments:		
Real estate	233,413	257,470
DuPage Community Foundation	26,973	20,697
Receivables:		
Grants	194,745	388,958
Program partner	18,527	59,964
Other, net	44,854	15,655
Prepaid expenses	43,660	40,222
Total current assets	905,216	1,069,014
Property and equipment, net	6,016,232	6,080,845
Real estate investments	1,623,482	1,507,443
Other assets - deposits	19,604	17,730
Total assets	\$ 8,564,534	\$ 8,675,032
Liabilities and Net Assets		
Current liabilities:		
Line of credit, current	\$ -	\$ 160,000
Notes payable, current	210,083	9,537
Deferred revenue, current	-	227,603
Accounts payable	35,138	34,696
Accrued expenses	97,749	131,781
Program partner and tenant deposits	18,862	9,344
Agency liability, current	102,540	99,540
Security deposits	50,711	42,379
Total current liabilities	515,083	714,880
Long-term liabilities:		
Line of credit, noncurrent	1,174,106	-
Notes payable, noncurrent	384,109	1,716,812
Agency liability, noncurrent	120,980	149,663
Deferred revenue, noncurrent	790,069	851,274
Total liabilities	2,984,347	3,432,629
Net assets:		
Unrestricted	4,219,564	3,976,626
Temporarily restricted	1,360,623	1,265,777
Total net assets	5,580,187	5,242,403
Total liabilities and net assets	\$ 8,564,534	\$ 8,675,032

See accompanying notes.

Bridge Communities, Inc.
Statement of Activities
For the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Operating revenues:			
Public support and revenue:			
Grant income	\$ 87,250	\$ 255,950	\$ 343,200
Community organizations	24,726	-	24,726
Program partners	632,398	-	632,398
Donations:			
Individuals	94,116	-	94,116
Corporations/foundations	537,831	-	537,831
Special events	166,802	-	166,802
Interest income	1,483	-	1,483
Miscellaneous income	10,455	-	10,455
Rental income	343,364	-	343,364
In-kind revenue	121,800	-	121,800
Net assets released from restrictions	161,104	(161,104)	-
Total operating revenue	<u>2,181,329</u>	<u>94,846</u>	<u>2,276,175</u>
Operating expenses:			
Program services	1,748,461	-	1,748,461
Supporting services	122,230	-	122,230
Fund-raising	231,326	-	231,326
Total operating expenses	<u>2,102,017</u>	<u>-</u>	<u>2,102,017</u>
Net operating income	79,312	94,846	174,158
Nonoperating revenue - grants and donations committed to capital investment	163,626	-	163,626
Change in net assets	242,938	94,846	337,784
Net assets, beginning of the year	<u>3,976,626</u>	<u>1,265,777</u>	<u>5,242,403</u>
Net assets, end of the year	<u>\$ 4,219,564</u>	<u>\$ 1,360,623</u>	<u>\$ 5,580,187</u>

See accompanying notes.

Bridge Communities, Inc.
Statement of Activities
For the Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Total
Operating revenues:			
Public support and revenue:			
Grant income	\$ 140,084	\$ 213,560	\$ 353,644
Community organizations	31,176	-	31,176
Program partners	670,000	-	670,000
Donations:			
Individuals	83,448	-	83,448
Corporations/foundations	560,622	-	560,622
Special events	229,861	-	229,861
Interest income	554	-	554
Miscellaneous income	22,300	-	22,300
Rental income	300,833	-	300,833
In-kind revenue	133,400	-	133,400
Net assets released from restrictions	8,750	(8,750)	-
Total operating revenues	2,181,028	204,810	2,385,838
Operating expenses:			
Program services	1,855,557	-	1,855,557
Supporting services	178,265	-	178,265
Fund-raising	189,737	-	189,737
Total operating expenses	2,223,559	-	2,223,559
Net operating income (loss)	(42,531)	204,810	162,279
Nonoperating revenue - grants and donations committed to capital investment	100,981	-	100,981
Change in net assets	58,450	204,810	263,260
Net assets, beginning of the year	3,918,176	1,060,967	4,979,143
Net assets, end of the year	\$ 3,976,626	\$ 1,265,777	\$ 5,242,403

See accompanying notes.

Bridge Communities, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2010

	Program Services	Supporting Services	Fund-raising	Total
Salaries and wages	\$ 487,323	\$ 38,314	\$ 146,533	\$ 672,170
Payroll taxes	37,370	2,831	11,273	51,474
403 B plan	25,451	860	6,785	33,096
Assessment testing	11,435	-	-	11,435
Automobile expense	34,116	-	-	34,116
Telephone expense	11,457	845	2,520	14,822
Utility expense	223,364	5,025	-	228,389
Depreciation expense	163,972	-	-	163,972
Dues and subscriptions	1,335	606	606	2,547
Family assistance	45,288	-	-	45,288
In-kind expenses	121,800	-	-	121,800
Insurance expense	86,813	6,160	3,272	96,245
Interest expense	70,049	15,481	-	85,530
Miscellaneous expense	17,768	-	-	17,768
Office supplies	14,129	1,771	2,168	18,068
Postage expense	5,394	1,798	4,045	11,237
Printing and publications	18,412	2,616	4,368	25,396
Professional fees	25,680	37,728	-	63,408
Promotion	-	-	47,504	47,504
Real estate taxes	11,194	3,812	-	15,006
Rent expense	110,529	-	-	110,529
Repairs - apartments	187,403	3,630	-	191,033
Travel expense	9,708	753	1,495	11,956
Training expense	2,165	-	757	2,922
Tutoring supplies	15,499	-	-	15,499
Volunteer recognition	10,807	-	-	10,807
Total functional expenses	\$ 1,748,461	\$ 122,230	\$ 231,326	\$ 2,102,017

See accompanying notes.

Bridge Communities, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2009

	Program Services	Supporting Services	Fund-raising	Total
Salaries and wages	\$ 495,702	\$ 46,968	\$ 92,032	\$ 634,702
Payroll taxes	37,618	3,650	7,397	48,665
403 B plan	29,288	998	5,345	35,631
Assessment testing	5,445	-	-	5,445
Automobile expense	25,731	-	-	25,731
Telephone expense	11,346	1,530	3,060	15,936
Utility expense	241,515	7,470	-	248,985
Depreciation expense	157,588	-	-	157,588
Dues and subscriptions	1,228	614	614	2,456
Family assistance	48,149	-	-	48,149
In-kind expenses	133,400	-	-	133,400
Insurance expense	90,333	1,518	3,036	94,887
Interest expense	70,262	25,073	-	95,335
Miscellaneous expense	17,813	-	-	17,813
Office supplies	10,501	1,903	1,903	14,307
Postage expense	5,029	2,016	4,032	11,077
Printing and publications	18,530	4,951	6,167	29,648
Professional fees	6,784	73,062	7,132	86,978
Promotion	-	-	57,970	57,970
Real estate taxes	49,396	8,512	-	57,908
Rent expense	134,439	-	-	134,439
Repairs - apartments	210,219	-	-	210,219
Travel expense	12,575	-	1,049	13,624
Training expense	778	-	-	778
Tutoring supplies	17,525	-	-	17,525
Volunteer recognition	24,363	-	-	24,363
Total functional expenses	\$ 1,855,557	\$ 178,265	\$ 189,737	\$ 2,223,559

See accompanying notes.

Bridge Communities, Inc.
Statement of Cash Flows
For the Year Ended June 30,

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Public support and other revenue	\$ 2,190,289	\$ 2,148,659
Salaries and wages	(681,963)	(612,546)
Payments to vendors	(1,223,042)	(1,278,811)
Interest received	1,483	554
Interest paid	(84,005)	(98,174)
	<u>202,762</u>	<u>159,682</u>
Net cash from operating activities		
Cash flows from investing activities:		
Contributions restricted for capital purchases	163,626	100,981
Purchases of property and equipment	(99,359)	(88,065)
Purchases of real estate investments	(116,039)	(5,417)
Proceeds from sale of real estate investments	24,057	47,947
	<u>(27,715)</u>	<u>55,446</u>
Net cash from investing activities		
Cash flows from financing activities:		
Borrowings from line of credit	106,877	25,000
Payments made on lines of credit	(190,000)	-
Payments made on notes payable	(34,928)	(52,606)
	<u>(118,051)</u>	<u>(27,606)</u>
Net cash from financing activities		
Net change in cash	56,996	187,522
Cash and cash equivalents, beginning of the year	<u>286,048</u>	<u>98,526</u>
Cash and cash equivalents, end of the year	<u>\$ 343,044</u>	<u>\$ 286,048</u>

(cont'd)

Bridge Communities, Inc.
Statement of Cash Flows (cont'd)
For the Year Ended June 30,

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ 337,784	\$ 263,260
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	163,972	157,588
Loss (gain) on investments	(6,276)	7,180
Contributions restricted for capital purchases	(163,626)	(100,981)
Changes in:		
Accounts receivable	206,451	(183,377)
Prepaid expenses	(3,438)	(33,127)
Other assets - deposits	(1,874)	(9,145)
Accounts payable	442	(5,999)
Accrued expenses	(34,032)	18,020
Agency liability	(25,683)	82,711
Security deposits	8,332	7,537
Program partner deposits	9,518	(6,882)
Deferred income	(288,808)	(37,103)
Net cash from operating activities	\$ 202,762	\$ 159,682

Note: The Corporation transferred \$40,368 included as construction in progress at June 30, 2009 to investment in real estate, as it relates to work performed on units being held for sale. The Corporation transferred \$25,153 included as construction in progress at June 30, 2008 to investment in real estate, as it relates to work performed on units being held for sale.

The Corporation paid off a note payable with an outstanding balance of \$1,000,000 using proceeds from a line of credit opened in the current year. The Corporation also converted the remaining balance of \$97,229 on a promissory note payable to the line of credit with the same financial institution.

See accompanying notes.

Bridge Communities, Inc.
Notes to the Financial Statements

1. Summary of Significant Accounting Policies

General – Bridge Communities, Inc. (the Corporation) was incorporated January 26, 1990 under the Not-for-profit Corporation Act of the State of Illinois, with the purpose to provide transitional housing to homeless families in DuPage County and create opportunities for them to return to permanent housing and independence through a mentoring program.

Basis of Accounting – These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Corporation as a whole so as to present balances and transactions according to the existence or absence of donor imposed restrictions. This has been accomplished by classification of fund balances and transactions into three classes of net assets: permanently restricted, temporarily restricted, or unrestricted.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Permanently Restricted Net Assets – Net assets subject to donor imposed stipulations that the Corporation maintains them permanently. The Corporation has no permanently restricted net assets.

Temporarily Restricted Net Assets – Net assets subject to donor imposed stipulations that may be met by actions of the Corporation, or by the passage of time.

Unrestricted Net Assets – Net assets not subject to donor imposed stipulations.

Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (i.e., the donor imposed stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions – 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 restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Corporation reports the support as unrestricted.

Bridge Communities, Inc.
Notes to the Financial Statements (cont'd)

1. **Summary of Significant Accounting Policies (cont'd)**

Release of Restrictions on Net Assets for Acquisition of Land, Building and Equipment – Contributions of exhaustible long-lived assets, or of cash or other assets used to acquire them, without donor stipulations concerning the use of such long-lived assets, are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released over the estimated useful lives of the long-lived assets using the Corporation's depreciation policies.

Use of Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and activities at the date of the financial statements and during the reporting period. Significant estimates made by management in the financial statements include determining an allowance for uncollectible accounts receivable and depreciating property and equipment over their estimated useful lives. Actual results could differ from those estimates. It is reasonably possible that the recorded amounts or related disclosures could significantly change in the near future as new information becomes available.

Cash and Cash Equivalents – For the purposes of the statement of cash flows, the Corporation considers all investments with an initial maturity of three months or less to be cash equivalents.

Receivables – Receivables are stated at amounts billed for sponsorship as well as rent. The Corporation does not charge interest or late fees on amounts past due. The Corporation has established an allowance for doubtful accounts. Management's periodic evaluation of the collectibility of receivables is based on past experience, known and inherent risks in the accounts, adverse situations that may affect ability to repay, and current economic conditions. There was no allowance for doubtful accounts at June 30, 2010 and June 30, 2009 as there were no accounts deemed uncollectible.

Property and Equipment – Property and equipment are capitalized at cost. Major additions are capitalized, while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed in the period incurred. Depreciation has been provided on the straight-line method over the estimated useful lives of the assets, as follows:

Buildings and improvements	7 – 15 years
Building	40 years
Furniture and equipment	3 – 7 years

Bridge Communities, Inc.
Notes to the Financial Statements (cont'd)

1. Summary of Significant Accounting Policies (cont'd)

Functional Allocation of Expenses – Costs of providing the various services and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated to and categorized as supporting services and fund-raising expenses.

Income Taxes – The Corporation is a not-for-profit entity under Section 501(c)(3) of the Internal Revenue Code, and is exempt from income taxes, except for taxes on unrelated business income generated from unrelated or trade business activities. The Corporation had no federal unrelated business taxable income in 2010 (\$134 in 2009), resulting in no federal tax expense in 2010 (\$20 in 2009). The Corporation had no state unrelated business taxable income and state income tax expense, related to unrelated debt-financed income in 2010 (\$364 and \$27, respectively, in 2009).

Subsequent Events – Subsequent events have been evaluated through October 18, 2010, which is the date the financial statements are to be issued.

2. Investments

The Corporation's investments are composed of units of an investment pool held at the DuPage Community Foundation. The DuPage Community Foundation maintains an investment pool for all its funds which consists primarily of marketable equity securities, mutual funds, United States government and agency securities, and corporate debt securities. No specific securities are designated for a specific fund. Realized gains/losses, unrealized gains/losses, and dividend and interest income are divided monthly on a prorated basis across all funds of the Foundation. The Corporation's investment is recorded at fair value.

The Corporation also has long-term real estate investments, recorded at the lower of cost or market, that consist of apartment buildings which it has converted or is converting to condominium units for sale on an equity sharing basis to the Corporation's clients.

Under this program, the client generally buys an equity portion of the unit and the Corporation retains the remaining interest. The client is responsible to pay all of the costs of real estate taxes, insurance and condominium assessments for common costs. At such time as the unit purchaser wishes to sell his interest, the Corporation has right of first refusal to buy that equity interest at the then current fair market value based upon an appraisal.

Bridge Communities, Inc.
Notes to the Financial Statements (cont'd)

3. Property and Equipment

Property and equipment is as follows at June 30:

	2010	2009
Land	\$ 1,607,291	\$ 1,607,291
Buildings	5,604,418	5,482,737
Building improvements	186,361	168,316
Furniture and equipment	74,284	74,284
Construction in progress	-	40,367
	7,472,354	7,372,995
Less accumulated depreciation	1,456,122	1,292,150
	\$ 6,016,232	\$ 6,080,845

Depreciation expense totaled \$163,972 in 2010 (\$157,588 in 2009).

4. Lines of Credit

The Corporation has a \$330,000 line of credit with West Suburban Bank with an outstanding balance of \$204,478 at June 30, 2010. The line of credit bears a variable interest rate (5.75% and 3.25% at June 30, 2010 and 2009, respectively) that is tied with the prime interest rate as listed in the Wall Street Journal. Principal is due at maturity on January 1, 2012. The line of credit is unsecured. The Corporation also has a \$326,350 line of credit with Harris Bank with no outstanding balance at June 30, 2010 (\$400,000 line of credit with an outstanding balance of \$160,000 at June 30, 2009). The line of credit bears interest at a variable rate of 2.75% above the bank's prime commercial rate, but not to fall below 5.00%. The interest rate on the line of credit at June 30, 2010 was 6.00%. Principal is due at maturity on May 12, 2011. The line of credit is secured by property with a net book value of \$490,458 at June 30, 2010, but the Corporation is required to maintain Harris Bank as its primary depository institution over the term of this agreement.

On November 29, 2007, the Corporation entered into a \$1,000,000 term note payable to Charter One Bank. The outstanding balance at June 30, 2009 was \$1,000,000. This note was refinanced with a revolving line of credit with Glen Ellyn Bank & Trust dated July 27, 2009. The new revolving line of credit has an original principal balance of \$1,000,000 due at maturity on July 17, 2011. The outstanding principal balance at June 30, 2010 is \$969,628. Interest is due monthly at the greater of the prime rate or 4.50% (4.50% at June 30, 2010). The refinanced note had required the Corporation to make monthly interest payments in arrears at a rate of 5.00% commencing January 1, 2008, with a principal payment of \$1,000,000 due at maturity on December 1, 2009. Both notes are secured by property located at 1324 and 1341 Crab Apple Court, Naperville, Illinois with a net book value of \$1,087,973 and \$1,105,567 at June 30, 2010 and 2009, respectively. Interest expensed and paid on the Glen Ellyn Bank & Trust note totaled \$41,468 and \$41,105, respectively, in 2010 (\$48,757 and \$50,472, respectively in 2009, on the refinanced note).

Bridge Communities, Inc.
Notes to the Financial Statements (cont'd)

5. Debt Obligations

On April 20, 2007, the Corporation entered into a promissory note payable to West Suburban Bank in the amount of \$214,000, secured by property located at 1347 Crab Apple Court, Naperville, Illinois. Under the original terms of the note, the Corporation is required to make monthly interest payments at a rate of 7.50% commencing June 1, 2007, with principal due at maturity on April 1, 2009. The Corporation modified the terms of the note on April 16, 2008, changing the interest rate to the Bank's prime rate (3.25% at June 30, 2009), and extending the maturity date to April 1, 2010, at which time principal was due and paid. During the current year, the Corporation paid \$120,323 in principal (\$43,588 in 2009). Interest expensed and paid totaled \$1,813 and \$1,993, respectively, in 2010 (\$3,838 and \$3,846, respectively, in 2009).

On May 24, 2005, the Corporation entered into a note payable to an individual in the amount of \$80,000. The note is unsecured. The Corporation is required to make monthly interest payments at a rate of 6.00% (6.00% in 2009), with a principal payment of \$80,000 due on May 25, 2015. Interest expensed and paid totaled \$4,800 and \$4,800, respectively, in 2010 (\$4,733 and \$4,800 expensed and paid, respectively, in 2009).

On December 16, 2004, the Corporation entered into a promissory note payable to an individual in the amount of \$200,000, secured by investment property located at 25 North Garfield, Lombard, Illinois with a net book value of \$328,113 at June 30, 2010 and 2009. The Corporation is required to make monthly interest payments at a rate of 6.00%, with a principal payment of \$200,000 due on June 30, 2010. The Corporation is extending the terms of the note on a month-to-month basis. Interest expensed and paid totaled \$12,000 and \$12,000, respectively, in 2010 and 2009.

On August 25, 2004, the Corporation entered into a promissory note payable to Harris Bank in the amount of \$370,000, with an outstanding balance of \$314,192 and \$326,026 at June 30, 2010 and 2009, respectively, secured by property located at 505 Crescent Boulevard, Glen Ellyn, Illinois with a net book value of \$680,264 and \$691,569 at June 30, 2010 and 2009, respectively. The Corporation is required to make monthly payments of \$2,290, including interest at a rate of 5.5%, with a balloon payment of \$313,911 due on August 25, 2011. Interest expensed and paid totaled \$17,922 and \$17,934, respectively, in 2010 (\$18,453 and \$18,460, respectively, in 2009).

The maturity of the debt is as follows:

2011	\$ 210,083
2012	304,109
2013	-
2014	-
2015	80,000
	<hr/>
	\$ 594,192

Bridge Communities, Inc.
Notes to the Financial Statements (cont'd)

6. Commitments

The Corporation rents office facilities and various residential properties for program partners, which are used as transitional housing. The leases expire at various dates through 2010. Rent expense for the year ended June 30, 2010 was \$110,529 (\$134,439 in 2009). Future minimum rentals are \$73,370 and \$925 in the fiscal year ended June 30, 2011 and 2012, respectively.

7. Deferred Revenue

Current – The current portion of deferred revenue relates to HUD grants that were awarded to the Corporation during the years ended June 30, 2010 and 2009. Such grants are considered “fee for service” arrangements. Revenue will be recognized when the related services have been provided.

Long-term – The Corporation has received grants from the Investment Partnership program in various years to 2006. The grants are secured by real estate that has been purchased by the Corporation. At various times through the year 2030, the real estate would be forfeited should any of the following occur:

- a. the Corporation files for bankruptcy;
- b. the Corporation transfers the property without the consent of the DuPage County HOME Investment Partnership Program; or
- c. the Corporation fails to maintain the land or building, or fails to use the building for its intended purpose.

Due to the contingent nature of the support, these grants are amortized over the life of the restrictions and recognized as a temporarily restricted net asset. The balance at June 30 is as follows:

Total grants	\$ 1,642,169
Accumulated amortization	<u>790,895</u>
	<u>\$ 851,274</u>

Bridge Communities, Inc.
Notes to the Financial Statements (cont'd)

8. Temporarily Restricted Net Assets

Temporarily restricted net asset balances consist of the following at June 30:

	2010	2009
Grants awarded to support operations not received at year end	\$ 194,745	\$ 152,354
Grant revenue recognized to date from the Investment Partnership Program	852,100	790,895
Grant used to acquire building – undepreciated amount	313,778	322,528
	\$ 1,360,623	\$ 1,265,777

9. Agency Liability

The Corporation is providing accounting services and acting as custodian for cash deposited by Families Helping Families. At June 30, 2010, the Corporation's liability as an agent is \$223,520 (\$249,203 at June 30, 2009).

10. Defined Contribution Pension Plan

On July 1, 1998, the Corporation established a defined contribution pension plan covering all full-time employees who have met certain service requirements. The plan provides for matching contributions and discretionary contributions by the Corporation as determined annually by the Board of Directors, up to the maximum amount permitted under the Internal Revenue Code. Plan expense for the year ended June 30, 2010 was \$33,096 (\$35,631 in 2009).

11. Noncash Contributions

Certain noncash contributions and expenses have been recorded, based upon their estimated fair market value, on the date of contribution as follows:

In-kind contributions	\$ 121,800
In-kind expenses	\$ 121,800

The above in-kind contributions and expenses as of June 30, 2010 were forty-two automobiles that were donated to the Corporation. The Corporation does repairs and maintenance on the donated vehicles. Each automobile is then given to a family in DuPage County needing transportation to reach work, school, or job training. Repairs and maintenance for the automobiles were \$34,116 (\$25,731 in 2009).