

# Dugan & Lopatka

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T. Brett Flickinger  
Karen M. Olson  
Hugh E. Elliott

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Gwen S. Henry

October 7, 2009

Barbara A. Schmith, Executive Director  
Woodridge Community Pantry, Inc.  
6809 Hobson Valley Drive, #118  
Woodridge, Illinois 60517

**TRANSMITTED VIA EMAIL**

Dear Ms. Schmith:

Attached please find a copy of the financial statements for Woodridge Community Pantry, Inc. as of June 30, 2009 and 2008, together with auditor's report.

Please call should you have any questions.

Sincerely,

DUGAN & LOPATKA



Karen M. Olson

KMO:bdb  
Attachment

**WOODRIDGE COMMUNITY PANTRY, INC.**

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

**TOGETHER WITH AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Woodridge Community Pantry, Inc.:

We have audited the accompanying statement of assets, liabilities, and net assets - modified cash basis of Woodridge Community Pantry, Inc. as of June 30, 2009 and 2008, and the related statement of support, revenue, expenses and changes in net assets - modified cash basis for the years then ended. These financial statements are the responsibility of Woodridge Community Pantry, Inc.'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.

As described in note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Woodridge Community Pantry, Inc. as of June 30, 2009 and 2008, and its support, revenue, expenses and changes in net assets for the years then ended, on the basis of accounting described in note 1.

*Dugan + Lopatka*

DUGAN & LOPATKA

Wheaton, Illinois  
October 7, 2009

WOODRIDGE COMMUNITY PANTRY, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS -  
MODIFIED CASH BASIS  
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
ASSETS:		
Cash and cash equivalents	\$ 238,009	\$ 169,239
Property and equipment, net	<u>651,365</u>	<u>290,277</u>
Total assets	<u>\$ 889,374</u>	<u>\$ 459,516</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Payroll liabilities	\$ -	\$ 423
Conditional promises to give	<u>500,000</u>	<u>200,000</u>
Total liabilities	<u>500,000</u>	<u>200,423</u>
NET ASSETS:		
Unrestricted	364,532	234,686
Temporarily restricted	<u>24,842</u>	<u>24,407</u>
Total net assets	<u>389,374</u>	<u>259,093</u>
Total liabilities and net assets	<u>\$ 889,374</u>	<u>\$ 459,516</u>

The accompanying notes are an integral part of this statement.

WOODRIDGE COMMUNITY PANTRY, INC.  
STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS -  
MODIFIED CASH BASIS  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE:</b>						
Donated goods	\$ 994,744	\$ -	\$ 994,744	\$ 629,203	\$ -	\$ 629,203
Contributions	2,923	-	2,923	4,895	-	4,895
Corporate donations	10,278	-	10,278	12,330	-	12,330
Grants	53,814	135,000	188,814	2,658	36,620	39,278
Individual donations	104,351	-	104,351	87,645	-	87,645
Annual fundraiser	90,546	-	90,546	70,473	-	70,473
Church donations	13,098	-	13,098	6,678	-	6,678
Gain on sale of fixed asset	901	-	901	-	-	-
Miscellaneous income	100	-	100	600	-	600
Interest income	7,249	-	7,249	8,016	-	8,016
<b>Total public support and revenue</b>	<b>1,278,004</b>	<b>135,000</b>	<b>1,413,004</b>	<b>822,498</b>	<b>36,620</b>	<b>859,118</b>
<b>RECLASSIFICATIONS:</b>						
Net assets released upon satisfaction of purpose restrictions	134,565	(134,565)	-	12,213	(12,213)	-
<b>PROGRAM EXPENSES:</b>						
Donated goods	994,744	-	994,744	629,203	-	629,203
Food and sundry purchases	86,944	-	86,944	64,239	-	64,239
Educational and supportive services	15,970	-	15,970	7,213	-	7,213
Payroll expenses	77,853	-	77,853	36,150	-	36,150
Dues and subscriptions	2,376	-	2,376	1,383	-	1,383
Grant writing	-	-	-	13	-	13
Supplies	1,868	-	1,868	2,131	-	2,131
<b>Total program expenses</b>	<b>1,179,755</b>	<b>-</b>	<b>1,179,755</b>	<b>740,332</b>	<b>-</b>	<b>740,332</b>

The accompanying notes are an integral part of this statement.

WOODRIDGE COMMUNITY PANTRY, INC.  
STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS -  
MODIFIED CASH BASIS  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>GENERAL AND ADMINISTRATIVE EXPENSES:</b>						
Depreciation expense	\$ 27,544	\$ -	\$ 27,544	\$ 21,495	\$ -	\$ 21,495
Fundraising supplies	12,232	-	12,232	14,047	-	14,047
Industrial park dues	4,400	-	4,400	2,946	-	2,946
Insurance	3,138	-	3,138	1,133	-	1,133
Licenses and fees	130	-	130	224	-	224
Meetings and seminars	115	-	115	350	-	350
Miscellaneous expense	3,251	-	3,251	4,177	-	4,177
Office supplies	5,468	-	5,468	3,641	-	3,641
Repairs and maintenance	5,361	-	5,361	7,880	-	7,880
Telephone and utilities	12,980	-	12,980	11,846	-	11,846
Vehicle expense	6,374	-	6,374	6,290	-	6,290
Postage and delivery	5,208	-	5,208	5,225	-	5,225
Printing and reproduction	3,091	-	3,091	1,661	-	1,661
Professional fees	6,540	-	6,540	5,010	-	5,010
Rental property expenses	7,136	-	7,136	24,801	-	24,801
<b>Total general and administrative expenses</b>	<b>102,968</b>	<b>-</b>	<b>102,968</b>	<b>110,726</b>	<b>-</b>	<b>110,726</b>
<b>Total expenses</b>	<b>1,282,723</b>	<b>-</b>	<b>1,282,723</b>	<b>851,058</b>	<b>-</b>	<b>851,058</b>
<b>CHANGES IN NET ASSETS</b>						
NET ASSETS, Beginning of year	129,846	435	130,281	(16,347)	24,407	8,060
NET ASSETS, End of year	234,686	24,407	259,093	251,033	-	251,033
	<b>\$ 364,532</b>	<b>\$ 24,842</b>	<b>\$ 389,374</b>	<b>\$ 234,686</b>	<b>\$ 24,407</b>	<b>\$ 259,093</b>

The accompanying notes are an integral part of this statement.

WOODRIDGE COMMUNITY PANTRY, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities -

Woodridge Community Pantry, Inc. (the "Organization") was incorporated in 1992 to serve the community by feeding the hungry and sharing resources to improve the quality of life. The Organization seeks to eradicate hunger within families and individuals, and to serve other unmet human needs of the community.

The financial statements were available to be issued on October 7, 2009, with subsequent events being evaluated through this date.

Accounting Method -

The financial statements of the Organization have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Modifications to the cash basis of accounting include recording property and equipment, related depreciation expense, mortgages payable and donated goods.

Estimates -

The Organization prepares its financial statements in conformity with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Credit Risk -

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains cash balances at several financial institutions in the local area. Accounts at each institution are insured by the FDIC up to \$250,000. At June 30, 2009, the Organization did not have cash balances in excess of the insured limit.

Property and Equipment -

Property and equipment are stated at cost. Depreciation is calculated using the modified accelerated cost recovery system over the estimated useful lives of the respective assets, ranging from five to thirty-nine years. This depreciation method is not a generally accepted method and when compared to the straight-line method it was determined to be immaterially different. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in the statement of support, revenue, expenses and changes in net assets.

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

Donated Services -

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. These volunteers have a significant impact on making the Organization effective. However, the value of these services is not reflected in the financial statements because they do not meet the definition of donated services under Financial Accounting Standards Board Statement No. 116.

Income Taxes -

The Organization is exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code and state laws. Accordingly, no provision for income taxes has been established.

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

Revenue Recognition -

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

(2) PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following:

	<u>2009</u>	<u>2008</u>
Building and building improvements	\$ 505,520	\$ 223,417
Equipment	93,871	62,097
Land	105,000	52,500
Vehicles	<u>51,330</u>	<u>29,075</u>
	755,721	367,089
Less - Accumulated depreciation	<u>(104,356)</u>	<u>76,812</u>
Property and equipment, net	<u>\$ 651,365</u>	<u>\$ 290,277</u>

Depreciation expense for the fiscal years ended June 30, 2009 and 2008 was \$27,544 and \$21,495, respectively.

(3) CONDITIONAL PROMISES TO GIVE:

The Organization has a total of \$500,000 in two conditional promises to give grants on properties located at 6805 and 6809 Hobson Valley Drive, Woodridge, Illinois. At June 30, 2008, the outstanding balance was \$200,000. The new conditional promise was added in November, 2008 totaling \$300,000 for the purchase of the 6805 Hobson property. The Organization is required to meet certain covenants related to building maintenance, payment of property taxes, continuance of existence and others. If the covenants are met, the original promise to give will be fulfilled on September 4, 2023. The new promise requires repayment if the Organization sells or transfers the property before November 20, 2028. Both conditional promises to give are secured by mortgages.

(4) DONATED GOODS:

Donated goods and services are recorded in the financial statements at their estimated fair market value on the date of receipt. The Organization reports gifts of donated food and grocery products over which it has control as unrestricted support when received and, shortly thereafter, as expense when distributed to donees. During the years ended June 30, 2009 and 2008, approximately 744,600 and 422,000 pounds of donated product were received, respectively. The approximate average wholesale value of one pound of donated product at the national level was determined to be \$1.49 a pound. For the years ended June 30, 2009 and 2008, the Organization received approximately \$994,744 and \$629,000 in donated food and grocery products, respectively. Of these amounts, approximately \$69,000 and \$37,000 were received and valued by the federal government for the years ended June 30, 2009 and 2008, respectively.

In addition, the Organization received approximately 18,730 hours of volunteer time from the Executive Director and many others for program services and fundraising.

(5) LEASE COMMITMENTS:

The Organization leased a warehouse facility for \$2,750 per month with the option to purchase it at the end of its term. During the year ended June 30, 2009, the Organization acquired the facility. Rent expense for the years ended June 30, 2009 and 2008 was \$10,083 and \$22,000, respectively.

(6) CONCENTRATION OF REVENUE:

For the year ended June 30, 2009, approximately 25% of the total revenue for the Organization was derived from one grant.

(7) RECLASSIFICATIONS:

Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on net income.