Financial Statements
December 31, 2009

HousingLink

HOUSINGLINK

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
HousingLink
Minneapolis, Minnesota

We have audited the accompanying statement of financial position of **HousingLink** (Organization) as of December 31, 2009, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's December 31, 2008 financial statements and, in our report dated June 17, 2009, we expressed an unqualified opinion on those statements.

We conducted our audit 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 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 the Organization's internal control over financial reporting. Accordingly, we do not express such an 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 **HousingLink** as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Minneapolis, Minnesota
July 21, 2010

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HOUSINGLINK
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009 (WITH COMPARATIVE TOTALS FOR 2008)

	2009	2008
ASSETS		
Cash and cash equivalents	**$ 469,974**	$ 661,433
Accounts receivable	**12,408**	20,500
Grants receivable	**35,230**	-
Prepaid expenses	**4,535**	9,619
Equipment and leasehold improvements, less accumulated depreciation and amortization of $154,311	**14,799**	16,910
	$ 536,946	$ 708,462
LIABILITIES AND NET ASSETS		
Accounts payable	**$ 3,356**	$ 2,556
Accrued expenses and other	**31,127**	31,342
	34,483	33,898
NET ASSETS		
Board designated	**328,682**	355,333
Unrestricted, undesignated	**160,772**	237,601
Total unrestricted net assets	**489,454**	592,934
Temporarily restricted	**13,009**	81,630
	502,463	674,564
	$ 536,946	$ 708,462

HOUSINGLINK
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009 (WITH COMPARATIVE TOTALS FOR 2008)

	2009			
	Unrestricted	**Temporarily Restricted**	**Total**	2008
SUPPORT AND REVENUE				
Contracts for services	**$ 245,585**	**$ -**	**$ 245,585**	$ 516,209
Grants	**593,571**	**13,009**	**606,580**	595,448
In-kind contributions	**91,641**	**-**	**91,641**	137,031
Sales of publications	**128**	**-**	**128**	1,376
Interest income	**7,960**	**-**	**7,960**	15,828
License income	**6,781**	**-**	**6,781**	4,482
Miscellaneous income	**370**	**-**	**370**	150
Net assets released from restrictions	**81,630**	**(81,630)**	**-**	-
Total support and revenue	**1,027,666**	**(68,621)**	**959,045**	1,270,524
EXPENSES				
Program services	**851,575**	**-**	**851,575**	995,123
Management and general	**257,970**	**-**	**257,970**	334,083
Fundraising	**21,601**	**-**	**21,601**	13,644
Total expenses	**1,131,146**	**-**	**1,131,146**	1,342,850
CHANGE IN NET ASSETS	**(103,480)**	**(68,621)**	**(172,101)**	(72,326)
NET ASSETS, BEGINNING OF YEAR	**592,934**	**81,630**	**674,564**	746,890
NET ASSETS, ENDING OF YEAR	**$ 489,454**	**$ 13,009**	**$ 502,463**	$ 674,564

HOUSINGLINK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009 (WITH COMPARATIVE TOTALS FOR 2008)

	2009				
	Program Services	**Management and General**	**Fundraising**	**Total**	2008
Salaries	**$ 468,821**	**$ 109,670**	**$ 13,059**	**$ 591,550**	$ 737,688
Payroll taxes	**38,815**	**9,080**	**1,081**	**48,976**	60,835
Employee benefits	**78,307**	**18,318**	**2,181**	**98,806**	116,778
Contract expenses	**123,470**	**66,501**	**693**	**190,664**	161,119
Occupancy	**25,826**	**6,041**	**719**	**32,586**	37,200
Office supplies	**4,416**	**953**	**111**	**5,480**	5,228
Postage	**691**	**356**	**396**	**1,443**	3,222
Printing and copying	**2,350**	**119**	**2,118**	**4,587**	3,667
Dues and subscriptions	**6,070**	**786**	**7**	**6,863**	6,606
Professional fees	**-**	**29,436**	**-**	**29,436**	26,713
Payroll and accounting	**-**	**3,802**	**-**	**3,802**	4,269
Mileage and parking	**3,424**	**392**	**64**	**3,880**	4,696
Education and training	**2,583**	**574**	**5**	**3,162**	4,678
Advertising and marketing	**51,832**	**-**	**-**	**51,832**	79,256
Meeting expenses	**2,601**	**1,407**	**130**	**4,138**	3,068
Telecommunication	**13,284**	**2,902**	**346**	**16,532**	17,447
Miscellaneous expenses	**851**	**1,423**	**6**	**2,280**	6,467
Insurance	**2,792**	**3,240**	**78**	**6,110**	7,105
Operating and maintenance	**2,799**	**625**	**75**	**3,499**	4,271
Computer equipment and software	**9,868**	**1,949**	**232**	**12,049**	27,752
Depreciation and amortization	**12,775**	**396**	**300**	**13,471**	24,785
TOTAL EXPENSES	**$ 851,575**	**$ 257,970**	**$ 21,601**	**$ 1,131,146**	$ 1,342,850
	75%	**23%**	**2%**	**100%**	

HOUSINGLINK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009 (WITH COMPARATIVE TOTALS FOR 2008)

	2009	2008
OPERATING ACTIVITIES		
Change in net assets	$ (172,101)	$ (72,326)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	13,471	24,785
Changes in assets and liabilities		
Accounts receivable	8,092	131,750
Grants receivable	(35,230)	12,083
Prepaid expenses	5,084	10,777
Accounts payable	800	(17,606)
Accrued expenses	(215)	(12,285)
Refundable advance	-	(22,245)
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	(180,099)	54,933
INVESTING ACTIVITIES		
Purchase of equipment	(11,360)	(5,148)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(191,459)	49,785
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	661,433	611,648
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 469,974	$ 661,433

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

HousingLink (Organization) was incorporated in Minnesota and began operations in 1997. The Organization's vision is to ensure everyone has the information needed to obtain and keep safe, affordable housing. The mission is to connect people and communities to information that supports the resolution of their affordable housing issues.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organization has no permanently restricted net assets.

Support/Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization 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 (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contracts for services consist of grants and contracts that are exchange transactions in which there is a reciprocal transfer of assets or services between the parties involved in the grant or contract. Exchange transactions are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are incurred. Funds received but not yet earned are recorded as refundable advances. Amounts expended but not yet received are classified as receivable.

Grants Receivable

Unconditional promises to give are recognized as revenues or gains in the period received, and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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Accounts Receivable

Receivables for fees for service contracts represent amounts due to the Organization for services performed.

Allowance for Doubtful Accounts

The Organization uses the allowance method to account for uncollectible receivables. This method provides allowances for doubtful receivables equal to the estimated losses that will be incurred in the collection of receivables. No allowance was deemed necessary for the year ended December 31, 2009.

Cash and Cash Equivalents

The Organization considers all highly liquid investments in debt securities purchased with a maturity of three months or less to be cash equivalents. At times, cash and cash equivalents may be in excess of FDIC limits.

Property and Equipment

Expenditures for the acquisition of equipment greater than $3,000 are capitalized at cost, and donated equipment is capitalized at fair value at the date of the gift.

Depreciation of equipment is provided over the estimated useful lives of the respective assets using the straight-line method. Estimated useful lives range from three to five years.

Fair Value Measurements

The Organization has determined the fair value of certain assets and liabilities in accordance with the provision of FASB ASC 820-10, *Fair Value Measurements,* which provides a framework for measuring fair value under generally accepted accounting principles (GAAP).

FASB ASC 820-10 defines fair value at the exchange 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. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. GAAP also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 2 that observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

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Income Taxes

The Organization has exempt status under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors and are tax deductible.

The Organization has adopted the provisions of FASB Accounting Standards Codification Topic ASC 740-10 (previously Financial Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*) on January 1, 2009. The implementation of this standard had no impact on the financial statements. As of both the date of adoption, and as of December 31, 2009, the unrecognized tax benefit accrual was zero.

The Organization undergoes an annual analysis of its various tax positions, assessing the likelihood of those positions being upheld upon examination with relevant tax authorities, as defined by ASC 740-10.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

Subsequent Events

The Organization has evaluated subsequent events through July 21, 2010, the date which the financial statements were available to be issued.

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NOTE 2 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2009:

General operations timing restriction	$ 10,000
Foreclosure reporting	3,009
Total	$ 13,009

Net assets released from restrictions during the year ended December 31, 2009, are as follows:

Chief operating officer	$ 40,000
General operations timing restriction	20,000
Capacity building	21,630
Total	$ 81,630

NOTE 3 - CONTINGENCIES

Substantially all support and revenue is received from individuals, charitable organizations, foundations and governmental entities; therefore, the continuation of certain programs of the Organization is dependent upon future funding. Approximately 26 percent of the Organization's total support and revenue for the year ended December 31, 2009, was derived from one funding source. Legislative budgets could impact the Organization's ability to start new programs and to continue existing programs.

Grants require the fulfillment of certain conditions as set forth in the grant agreement. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the grants and their terms it has accommodated the objectives of the Organization to the provisions of the grant.

NOTE 4 - RETIREMENT PLAN

The Organization has a retirement savings plan, which is intended to satisfy the requirements of Section 401(k) of the Internal Revenue Code. All employees of the Organization are eligible to participate in this plan. This plan is funded by withholdings from the employee's payroll. Employer's contributions are discretionary. There were no employer contributions for the year ended December 31, 2009.

NOTE 5 - CONDITIONAL GRANTS

The Organization has received conditional grants of $40,000 for 2010. As of December 31, 2009, $20,000 of conditional grants required a match of support raised from new donors. The remaining $20,000 is conditional upon satisfactory performance of a specified project to be determined. Since these grants represent conditional promises to give, they are not recognized as support until the conditions are met.

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NOTE 6 - IN-KIND CONTRIBUTIONS

In-kind contributions are comprised of services, goods and office space which are recorded at fair market value at date of donation. Donated services, goods and office space include the following:

Legal services	$ 12,486
Audit services	2,800
Office furniture	7,450
Advertising	45,438
Office space	23,467
Total	$ 91,641