

**FINANCIAL STATEMENTS**

# **OPENDOOR HOUSING FUND**

**FOR THE YEARS ENDED  
JUNE 30, 2009 AND 2008**

# OPENDOOR HOUSING FUND

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**GELMAN, ROSENBERG & FREEDMAN**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
OpenDoor Housing Fund  
Washington, D.C.

We have audited the accompanying statements of financial position of the OpenDoor Housing Fund (ODHF) as of June 30, 2009 and 2008, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of ODHF'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 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 financial statements referred to above present fairly, in all material respects, the financial position of ODHF as of June 30, 2009 and 2008, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Gelman Rosenberg & Freedman*

December 31, 2009

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**OPENDOOR HOUSING FUND**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2009 AND 2008**

**ASSETS**

	<b>2009</b>	<b>2008</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,870,089	\$ 1,741,819
Restricted cash	45,863	45,365
Notes receivable, net of loan loss reserve of \$410,503 in 2009 and \$118,774 in 2008 (Note 2)	7,823,275	1,909,351
Accrued interest receivable, net of interest loss reserve of \$331,886 in 2009 and \$153,131 in 2008	74,001	165,068
Contributions and other receivables	50,642	-
Prepaid expenses and other assets	13,911	16,116
Total current assets	<b>9,877,781</b>	<b>3,877,719</b>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	36,821	36,821
Less: Accumulated depreciation and amortization	(23,112)	(16,411)
Net property and equipment	<b>13,709</b>	<b>20,410</b>
<b>NONCURRENT ASSETS</b>		
Notes receivable, net of current portion and loan loss reserve of \$187,879 in 2009 and \$761,038 in 2008 (Note 2)	1,391,504	12,342,474
Loan fees, net of accumulated amortization of \$14,426 in 2009 and \$12,426 in 2008	9,606	11,606
Security deposit	3,041	3,041
Total noncurrent assets	<b>1,404,151</b>	<b>12,357,121</b>
<b>TOTAL ASSETS</b>	<b>\$ 11,295,641</b>	<b>\$ 16,255,250</b>

See accompanying notes to financial statements.

## LIABILITIES AND NET ASSETS

	<u>2009</u>	<u>2008</u>
<b>CURRENT LIABILITIES</b>		
Notes payable, current portion (Note 3)	\$ 2,336,907	\$ 2,117,225
Accounts payable (Note 9)	6,299	29,915
Accrued interest (Notes 3 and 5)	113,586	71,356
Deferred interest revenue	<u>60,057</u>	<u>24,371</u>
Total current liabilities	<u>2,516,849</u>	<u>2,242,867</u>
<b>NONCURRENT LIABILITIES</b>		
Notes payable, net of current portion (Note 3)	3,094,559	3,866,530
SAFI note payable (Note 5)	4,589,405	9,000,000
Deferred rent abatement (Note 7)	<u>2,894</u>	<u>2,425</u>
Total noncurrent liabilities	<u>7,686,858</u>	<u>12,868,955</u>
Total liabilities	<u>10,203,707</u>	<u>15,111,822</u>
<b>NET ASSETS</b>		
Unrestricted	1,053,288	974,782
Temporarily restricted (Note 6)	<u>38,646</u>	<u>168,646</u>
Total net assets	<u>1,091,934</u>	<u>1,143,428</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 11,295,641</u></b>	<b><u>\$ 16,255,250</u></b>

See accompanying notes to financial statements.

## OPENDOOR HOUSING FUND

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009		
	Unrestricted	Temporarily Restricted	Total
<b>REVENUE</b>			
Grants and contributions	\$ 463,379	\$ 20,000	\$ 483,379
Bank interest	16,499	-	16,499
Loan fees and interest income	188,205	-	188,205
Other revenue	3,131	-	3,131
Net assets released from donor restrictions - satisfaction of donor restrictions (Note 6)	<u>150,000</u>	<u>(150,000)</u>	<u>-</u>
Total revenue	<u>821,214</u>	<u>(130,000)</u>	<u>691,214</u>
<b>EXPENSES</b>			
Program Services	<u>616,441</u>	<u>-</u>	<u>616,441</u>
Supporting Services:			
General and Administrative	71,071	-	71,071
Fundraising	<u>7,871</u>	<u>-</u>	<u>7,871</u>
Total supporting services	<u>78,942</u>	<u>-</u>	<u>78,942</u>
Total expenses	<u>695,383</u>	<u>-</u>	<u>695,383</u>
Changes in net assets before other items	<u>125,831</u>	<u>(130,000)</u>	<u>(4,169)</u>
<b>OTHER ITEMS</b>			
Loans directly written-off (Note 2)	(200,000)	-	(200,000)
Decrease (increase) in loan loss allowance (Note 2)	281,430	-	281,430
Increase in loan interest allowance	(178,755)	-	(178,755)
Forgiveness of debt (Note 3)	50,000	-	50,000
SAFI loans receivable satisfied through foreclosure (Notes 2 and 5)	(4,410,595)	-	(4,410,595)
SAFI loans payable satisfied through foreclosure (Notes 2 and 5)	4,410,595	-	4,410,595
Net assets transferred through merger (Note 10)	<u>-</u>	<u>-</u>	<u>-</u>
Total other items	<u>(47,325)</u>	<u>-</u>	<u>(47,325)</u>
Changes in net assets	78,506	(130,000)	(51,494)
Net assets at beginning of year	<u>974,782</u>	<u>168,646</u>	<u>1,143,428</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,053,288</u></b>	<b><u>\$ 38,646</u></b>	<b><u>\$ 1,091,934</u></b>

See accompanying notes to financial statements.

<b>2008</b>		
<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
\$ 287,575	\$ -	\$ 287,575
31,650	-	31,650
512,990	-	512,990
22,627	-	22,627
<u>29,304</u>	<u>(29,304)</u>	<u>-</u>
<u>884,146</u>	<u>(29,304)</u>	<u>854,842</u>
<u>679,047</u>	<u>-</u>	<u>679,047</u>
95,252	-	95,252
<u>23,048</u>	<u>-</u>	<u>23,048</u>
<u>118,300</u>	<u>-</u>	<u>118,300</u>
<u>797,347</u>	<u>-</u>	<u>797,347</u>
<u>86,799</u>	<u>(29,304)</u>	<u>57,495</u>
(548,577)	-	(548,577)
(193,019)	-	(193,019)
(153,131)	-	(153,131)
-	-	-
-	-	-
-	-	-
<u>673,989</u>	<u>168,646</u>	<u>842,635</u>
<u>(220,738)</u>	<u>168,646</u>	<u>(52,092)</u>
(133,939)	139,342	5,403
<u>1,108,721</u>	<u>29,304</u>	<u>1,138,025</u>
<b><u>\$ 974,782</u></b>	<b><u>\$ 168,646</u></b>	<b><u>\$ 1,143,428</u></b>

See accompanying notes to financial statements.

## OPENDOOR HOUSING FUND

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

	Program Services	Supporting Services		Total Expenses
		General and Administrative	Fundraising	
Payroll and related expenses	\$ 223,562	\$ 27,711	\$ 4,760	\$ 256,033
Amortization of loan fees	2,000	-	-	2,000
Audit	-	24,382	-	24,382
Bank fees	747	93	16	856
Board and committee support	862	107	18	987
Consultants	136,455	6,882	1,182	144,519
Depreciation	5,851	725	125	6,701
Dues and subscriptions	2,473	306	53	2,832
Insurance	7,741	959	165	8,865
Interest (Note 3)	125,552	-	-	125,552
Legal	38,326	-	-	38,326
Maintenance and repairs	476	59	10	545
Marketing and advertising (Note 8)	7,140	885	152	8,177
Meetings	5,505	682	117	6,304
Miscellaneous	-	873	-	873
Occupancy (Note 7)	38,801	4,809	826	44,436
Office supplies	6,210	770	132	7,112
Payroll service	1,812	225	39	2,076
Postage	1,734	215	37	1,986
Printing and copying	1,152	143	25	1,320
Telephone	9,169	1,137	195	10,501
Travel	873	108	19	1,000
<b>TOTAL</b>	<b>\$ 616,441</b>	<b>\$ 71,071</b>	<b>\$ 7,871</b>	<b>\$ 695,383</b>

## OPENDOOR HOUSING FUND

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

	Program Services	Supporting Services		Total Expenses
		General and Administrative	Fundraising	
Payroll and related expenses (Note 9)	\$ 332,387	\$ 43,008	\$ 8,208	\$ 383,603
Amortization of loan fees	1,676	-	-	1,676
Audit	-	14,300	-	14,300
Bank fees	624	59	15	698
Board and committee support	-	2,764	-	2,764
Consultants	47,148	8,059	3,047	58,254
Depreciation	6,277	590	155	7,022
Dues and subscriptions	1,342	-	-	1,342
Insurance	1,462	6,269	36	7,767
Interest (Note 3)	153,843	-	-	153,843
Legal	30,852	-	-	30,852
Maintenance and repairs	3,848	438	115	4,401
Marketing and advertising (Note 8)	26,830	-	9,752	36,582
Meetings	3,598	-	-	3,598
Merger fees	-	13,273	-	13,273
Occupancy (Note 7)	38,306	3,590	958	42,854
Office supplies	12,633	1,189	312	14,134
Payroll service	1,482	139	37	1,658
Postage	2,510	236	62	2,808
Printing and copying	5,601	527	138	6,266
Telephone	6,375	599	157	7,131
Travel	2,253	212	56	2,521
<b>TOTAL</b>	<b>\$ 679,047</b>	<b>\$ 95,252</b>	<b>\$ 23,048</b>	<b>\$ 797,347</b>

**OPENDOOR HOUSING FUND**

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

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (51,494)	\$ 5,403
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	8,701	8,698
Forgiveness of debt	(50,000)	-
Receipt of unamortized capital assets	-	(29,052)
Increase in loan interest allowance	178,755	153,131
Loans directly written-off	200,000	548,577
(Decrease) increase in loan loss reserve	(281,430)	193,019
SAFI loans receivable satisfied through foreclosure	4,410,595	-
SAFI loans payable satisfied through foreclosure	(4,410,595)	-
(Increase) decrease in:		
Accrued interest receivable	(87,688)	(280,063)
Contributions and other receivables	(50,642)	-
Prepaid expenses and other assets	2,205	(15,870)
Security deposit	-	(3,041)
Increase (decrease) in:		
Accounts payable	(23,617)	26,373
Accrued interest	42,230	45,579
Deferred interest revenue	35,686	24,371
Deferred rent abatement	469	2,425
Net cash provided (used) by operating activities	<u>(76,825)</u>	<u>679,550</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	(2,380)
Payments for loan fees	-	(5,532)
Net decrease (increase) in notes receivable	<u>707,882</u>	<u>(10,898,330)</u>
Net cash provided (used) by investing activities	<u>707,882</u>	<u>(10,906,242)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (decrease) increase in notes payable	<u>(502,289)</u>	<u>10,233,755</u>
Net cash provided (used) by financing activities	<u>(502,289)</u>	<u>10,233,755</u>
Net increase in cash and cash equivalents	128,768	7,063
Cash and cash equivalents at beginning of year	<u>1,787,184</u>	<u>1,780,121</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR, INCLUDING \$45,863 AND \$45,365 OF RESTRICTED CASH</b>	<b><u>\$ 1,915,952</u></b>	<b><u>\$ 1,787,184</u></b>

See accompanying notes to financial statements.

## OPENDOOR HOUSING FUND

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

	<u>2009</u>	<u>2008</u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest Paid	\$ <u>83,322</u>	\$ <u>108,264</u>

## OPENDOOR HOUSING FUND

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

The OpenDoor Housing Fund (ODHF) is a non-profit organization, created on July 1, 2007, incorporated in the District of Columbia and located in Silver Spring, Maryland. ODHF helps to create economically strong and diverse communities by providing low-interest loans to mission-oriented affordable housing developers. These loans provide the early critical funding necessary to bring affordable housing plans to fruition.

ODHF was created as a result of a merger between the Unitarian Universalist Affordable Housing Corporation (UUAHC) and the Washington Area Housing Trust Fund (WAHTF). The surviving entity (WAHTF) was renamed OpenDoor Housing Fund and all assets and liabilities of UUAHC as of July 1, 2007 were transferred to the newly formed organization.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations".

##### Cash and cash equivalents -

ODHF considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

At times during the year, ODHF maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

##### Below-market rate financing -

Accounting principles generally accepted in the United States of America require not-for-profit organizations to record interest expense (income) and contribution revenue (expense) in connection with loans that are interest free or that have below-market interest rates. ODHF believes there is no material difference between community development finance market rates and the stated rates of loans in their portfolios. Consequently, no adjustments have been made to the financial statements to reflect rate differentials.

##### Notes receivable -

Notes receivable are stated at their net realizable value. An allowance is provided for notes receivable that may be uncollectible. Recoveries of amounts previously recorded as uncollectible are recorded as income if received.

##### Property and equipment -

Property and equipment purchases in excess of \$500 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

## OPENDOOR HOUSING FUND

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Income taxes -

ODHF is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. ODHF is not a private foundation.

##### Uncertain tax positions -

In June 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. (FIN) 48, *Accounting for Uncertainty in Income Taxes*. FIN 48 interprets the guidance in FASB Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*. When FIN 48 is implemented, reporting entities utilize different recognition thresholds and measurement requirements when compared to prior technical literature. On December 30, 2008, the FASB Staff issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. As deferred by the guidance in FSP FIN 48-3, ODHF is not required to implement the provisions of FIN 48 until fiscal years beginning after December 15, 2008. ODHF is reviewing FASB FIN 48 to determine the potential financial statement impact of adoption, if any.

Since the provisions of FIN 48 have not been implemented in accounting for uncertain tax positions, ODHF continues to utilize its prior policy of accounting for these positions, following the guidance in SFAS No. 5, *Accounting for Contingencies*. Disclosure is not required of a loss contingency involving an unasserted claim or assessment when there has been no manifestation by a potential claimant of an awareness of a possible claim or assessment unless it is considered probable that a claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable. Using that guidance, as of June 30, 2009 and 2008, ODHF has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

##### Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of ODHF and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of ODHF and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

##### Contributions and grants -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor.

## OPENDOOR HOUSING FUND

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Contributions and grants (continued) -

Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Temporarily restricted contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Grants and support receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements. Grant funding received in advance of incurring the related expenses is recorded as a refundable advance.

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

Fair value measurements -

ODHF adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 157, entitled Fair Value Measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. ODHF accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

#### 2. NOTES RECEIVABLE

As of June 30, 2009 and 2008, ODHF had 17 and 26, respectively, notes due and outstanding. Loans are secured and bear interest of 1.00% to 10.00%.

**OPENDOOR HOUSING FUND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

**2. NOTES RECEIVABLE (Continued)**

During 2009, several loans were restructured and the maturity dates have been amended. The loan maturities are as follows:

<u>Year Ended June 30,</u>	<u>2009</u>	<u>2008</u>
2009	\$ -	\$ 2,028,125
2010	8,233,778	2,306,918
2011	1,273,383	10,596,594
2012	-	-
2013	106,000	-
2014	-	-
2015 and Thereafter	<u>200,000</u>	<u>200,000</u>
	9,813,161	15,131,637
Less: Current portion	(7,823,275)	(1,909,351)
Less: Loan loss reserve	<u>(410,503)</u>	<u>(118,774)</u>
Noncurrent portion	1,579,383	13,103,512
Less: Loan loss reserve	<u>(187,879)</u>	<u>(761,038)</u>
<b>NET NONCURRENT NOTES RECEIVABLE</b>	<b><u>\$ 1,391,504</u></b>	<b><u>\$ 12,342,474</u></b>

During the years ended June 30, 2009 and 2008, ODHF wrote off \$200,000 and \$548,577, respectively, of loans that were deemed uncollectible. In addition, during 2009, ODHF foreclosed on a property originally financed with SAFI funds and the value of that loan on the date of foreclosure of \$4,410,595 was recorded as a reduction in the loans receivable (and SAFI note payable) balance (Note 5). During the years ended June 30, 2009 and 2008, ODHF (decreased) increased its allowance for uncollectible loans by \$(281,430) and \$193,019, respectively.

**3. NOTES PAYABLE**

Notes payable consists of various unsecured notes held by individuals, churches, financial institutions, and various non-profit organizations. The notes bear interest between 0% and 4.50%. During 2009, two notes payable totaling \$50,000 were forgiven and have been presented as an Other Item in the accompanying Statements of Activities and Changes in Net Assets. As of June 30, 2009 and 2008, the outstanding principal of the notes payable totaled \$5,431,466 and \$5,983,755, respectively. Principal payments are due as follows:

<u>Year Ended June 30,</u>	<u>2009</u>	<u>2008</u>
2009	\$ -	\$ 2,117,225
2010	2,336,907	1,007,670
2011	897,810	1,064,810
2012	1,197,249	915,800
2013	196,000	381,000
2014	37,500	497,250
2015 and Thereafter	<u>766,000</u>	<u>-</u>
	5,431,466	5,983,755
Less: Current portion	<u>(2,336,907)</u>	<u>(2,117,225)</u>
<b>TOTAL NONCURRENT NOTES PAYABLE</b>	<b><u>\$ 3,094,559</u></b>	<b><u>\$ 3,866,530</u></b>

## OPENDOOR HOUSING FUND

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

#### 3. NOTES PAYABLE (Continued)

Included in the total above are notes payable of \$705,857 and \$1,157,244 in 2009 and 2008, respectively, which are due to participant lenders under non-recourse agreements. All participant lender notes are due to be repaid during the year ended June 30, 2010.

Total interest expense during the years ended June 30, 2009 and 2008 totaled \$125,552 and \$153,843, respectively, of which \$83,322 and \$108,264 was paid as of June 30, 2009 and 2008, respectively (interest of \$113,586 and \$71,356 is included in liabilities as of June 30, 2009 and 2008, respectively). Included in these amounts is SAFI loan interest of \$22,403 and \$22,403 (of which \$46,384 and \$45,224 was unpaid as of June 30, 2009 and 2008, respectively) (Note 5).

#### 4. LINE OF CREDIT

ODHF maintains a \$500,000 bank line of credit that matures June 26, 2010. Amounts borrowed under this agreement bears an interest rate of 2.83% (1.15% over LIBOR). As of June 30, 2009, there were no outstanding borrowings on the line of credit.

#### 5. SITE ACQUISITION FUNDING INITIATIVE (SAFI) NOTE PAYABLE

ODHF has a loan agreement with the D.C. Department of Housing and Community Development Site Acquisition Funding Initiative (SAFI) for Affordable Housing under the Housing Production Trust Fund Program. Under this agreement, ODHF has received \$9,000,000 from the District of Columbia, bearing 0% interest per annum. Any interest earned on the non-advanced funds is considered the property of the D.C. Department of Housing and Community Development. The money will be used to expand and support site acquisition financing for affordable housing in the District of Columbia. A local financial institution has agreed to participate in this program with ODHF by making available an additional \$5,000,000 at a rate starting below market to match D.C. funds on approved projects. ODHF has agreed to underwrite and manage all loans made under this program. The program terminates December 31, 2012, at which time the outstanding balance of the SAFI note payable is due in full.

During 2009, ODHF foreclosed on a property originally financed with SAFI funds. The aggregate value of the loan balance on the date of foreclosure totaled \$4,410,595, and accordingly, has been reflected in the accompanying financial statements as a reduction in the loans receivable and SAFI note payable balances. As of June 30, 2009 and 2008, loans due under the SAFI program aggregated \$4,589,405 and \$9,000,000, respectively, and are also presented as notes receivable in the accompanying Statements of Financial Position.

The balance on the SAFI note payable, including interest earned on idle funds at June 30, 2009 and 2008, totaled \$4,635,789 and \$9,045,224, respectively (\$4,589,405 and \$9,000,000, respectively, as noncurrent SAFI note payable and \$46,384 and \$45,224, respectively, in accrued interest payable).

**OPENDOOR HOUSING FUND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

**6. TEMPORARILY RESTRICTED NET ASSETS**

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

	<b>2009</b>	<b>2008</b>
Loan Program - Loans and Enhancement Worth	\$ -	\$ 150,000
Maryland State Tax Credits	15,000	15,000
Mummert Green Fund	3,646	3,646
Time Restricted	20,000	-
	<b><u>\$ 38,646</u></b>	<b><u>\$ 168,646</u></b>

During the years ended June 30, 2009 and 2008, the following net assets were released from restrictions by incurring expenses thus satisfying the restricted purposes stipulated by the donors:

	<b>2009</b>	<b>2008</b>
Montgomery County Maryland	\$ -	\$ 29,304
Loan Program - Loans and Enhancement Worth	150,000	-
	<b><u>\$ 150,000</u></b>	<b><u>\$ 29,304</u></b>

**7. LEASE COMMITMENTS**

ODHF leases office space under a five-year agreement which commenced during February 2001. The base rent is \$36,495 per year, plus a proportionate share of expenses, increasing by a factor of 3% per year.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability in the Statements of Financial Position.

The following is a schedule of the future minimum lease payments:

<b><u>Year Ended June 30,</u></b>			
2010	\$	39,201	
2011		39,914	
2012		23,312	
	<b><u>\$</u></b>	<b><u>102,427</u></b>	

Occupancy expense (including rent and related utilities) for the years ended June 30, 2009 and 2008 totaled \$44,436 and \$42,854, respectively. The deferred rent liability as of June 30, 2009 and 2008 totaled \$2,894 and \$2,425, respectively.

## OPENDOOR HOUSING FUND

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

#### 8. ADVERTISING

ODHF expenses advertising costs when incurred; these costs totaled \$8,152 and \$35,478 during the years ended June 30, 2009 and 2008, respectively.

#### 9. CONTINGENT LIABILITY

On December 12, 2007, the former Executive Director of the Unitarian Universalist Affordable Housing Corporation (UUAHC) filed a complaint against UUAHC in the District Court of Maryland for Montgomery County (Knight v. UUAHC, Case No. 060200285412007) alleging that UUAHC failed to pay the employee's accrued annual leave wages and employment bonus.

Subsequent to June 30, 2008, both parties settled out of court. The final settlement amount was \$11,750, and is recorded as payroll expense and as a liability in the accompanying 2008 financial statements.

#### 10. TRANSFER OF NET ASSETS

ODHF was created on July 1, 2007 as a result of a merger between the Unitarian Universalist Affordable Housing Corporation (UUAHC) and the Washington Area Housing Trust Fund (WAHTF). The surviving entity (WAHTF) was renamed the OpenDoor Housing Fund and all assets and liabilities of UUAHC as of July 1, 2007 were transferred to the newly formed organization. Total net assets of \$842,635 are reflected as an Other Item in the accompanying Statements of Activities and Changes in Net Assets during the year ended June 30, 2008.

#### 11. SUBSEQUENT EVENTS

In preparing these financial statements, ODHF has evaluated events and transactions for potential recognition or disclosure through December 31, 2009, the date the financial statements were issued.