

**DuPage River Salt Creek
Workgroup**

**Financial Statements
and
Independent Auditor's Report
For the Period November 12, 2005
To February 29, 2008**

Wolf & Company LLP
Certified Public Accountants

CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Assets and Net Assets – Modified Cash Basis	2
Statement of Revenues and Expenses – Modified Cash Basis	3
Statement of Cash Flows – Modified Cash Basis	4
Notes to Financial Statements	5-6



INDEPENDENT AUDITOR'S REPORT

Board of Directors
DuPage River Salt Creek Workgroup

We have audited the accompanying statements of assets and net assets - modified cash basis of DUPAGE RIVER SALT CREEK WORKGROUP (DRSCW) for the period beginning November 12, 2005 and ended February 29, 2008, and the related statements of revenues and expenses - modified cash basis, and cash flows - modified cash basis for the period then ended. These financial statements are the responsibility of DRSCW's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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 audit provides a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of DuPage River Salt Creek Workgroup for the period ended February 29, 2008, and its revenues, expenses, and changes in net assets for the period then ended, on the basis of accounting described in Note 2.

Oak Brook, Illinois
November 9, 2009

Wolf Company LLP

DUPAGE RIVER SALT CREEK WORKGROUP
STATEMENT OF ASSETS AND NET ASSETS - MODIFIED CASH BASIS

February 29, 2008

ASSETS

Current assets:	
Cash	\$ 421,237
Property and equipment, net of accumulated depreciation \$53,158	<u>42,585</u>
Total assets	<u>\$ 463,822</u>

NET ASSETS

Unrestricted	<u>\$ 463,822</u>
--------------	-------------------

See accompanying notes to financial statements and independent auditor's report.

DUPAGE RIVER SALT CREEK WORKGROUP
STATEMENT OF REVENUES AND EXPENSES - MODIFIED CASH BASIS
 For the Period November 12, 2005 to February 29, 2008

Unrestricted revenues:	
Contributions and grants	\$ 461,980
Membership dues	767,723
Interest income	<u>2,408</u>
Total unrestricted revenues	<u>1,232,111</u>
Expenses:	
Accounting fees	2,718
Legal fees	86
Supplies	1,264
Telephone	963
Postage and shipping	1,497
Equipment repairs and maintenance	1,440
Printing and publications	45
Travel	9,272
Conferences, conventions, and meetings	928
Depreciation	53,158
Website fee	331
Office expenses	1,139
Miscellaneous	477
Professional services	309,514
Laboratory sampling and testing	123,331
Insurance	3,420
Sediment collection	1,010
Data collection	187,354
Biological assessments	59,167
Program study	<u>11,175</u>
Total expenses	<u>768,289</u>
Increase in unrestricted net assets	463,822
Unrestricted net assets at beginning of period	<u>-</u>
Unrestricted net assets at end of period	<u>\$ 463,822</u>

See accompanying notes to financial statements and independent auditor's report.

DUPAGE RIVER SALT CREEK WORKGROUP
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
For the Period November 12, 2005 to February 29, 2008

Cash flows from operating activities:	
Increase in net assets	\$ 463,822
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	<u>53,158</u>
Net cash provided by operating activities	516,980
Cash used in investing activities:	
Purchase of building, building improvements, furniture, fixtures and equipment	<u>(95,743)</u>
Net increase in cash and cash equivalents	421,237
Cash and cash equivalents and beginning of period	<u>-</u>
Cash and cash equivalents at end of period	<u>\$ 421,237</u>

See accompanying notes to financial statements and independent auditor's report.

DUPAGE RIVER SALT CREEK WORKGROUP
NOTES TO FINANCIAL STATEMENTS

1. Nature of Activities

DuPage River Salt Creek Workgroup (DRSCW) was formed November 12, 2005. DRSCW is a not-for-profit organization that aspires to bring together a diverse coalition of stakeholders to work together to preserve and enhance water quality. DRSCW fulfills its mission by serving communities along the East Branch DuPage River, West Branch DuPage River, Salt Creek and their tributaries.

2. Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of DRSCW have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modified cash basis records revenue when received and expenses when paid. Generally accepted accounting principles require recognition of revenue when earned and expenses when incurred.

Basis of Presentation - The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, DRSCW is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets are contributions or other inflows which have no restriction placed on the funds by the donor.

Temporarily restricted net assets result from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions pursuant to those stipulations.

Permanently restricted net assets result from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of DRSCW.

DRSCW had no temporarily or permanently restricted net assets during the period ended February 29, 2008.

Use of Estimates - The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax-Exempt Status - DRSCW is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. DRSCW remains liable for income taxes on unrelated business income.

Equipment - Equipment is depreciated over the estimated useful life of five years using the straight-line method.

DUPAGE RIVER SALT CREEK WORKGROUP
NOTES TO FINANCIAL STATEMENTS

3. Concentrations

DRSCW routinely maintains cash balances in financial institutions in excess of federally insured amounts.