

**EASTSIDE INTERFAITH SOCIAL
CONCERNS COUNCIL.**

REVIEWED FINANCIAL STATEMENTS

DECEMBER 31, 2009 and 2008

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**EASTSIDE INTERFAITH SOCIAL CONCERNS COUNCIL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 and 2008**

ASSETS		2009	2008
ASSETS			
Cash		\$ 210,979	\$ 153,514
Grants and accounts receivable, net of allowance for uncollectible accounts of \$4,500 and \$3,775, respectively		113,148	70,887
Contributions receivable		440,976	276,172
Bedding supplies and deposits		8,974	3,850
Trailers and equipment, net of accumulated depreciation of \$5,243 and \$3,663, respectively		15,434	4,277
	Total assets	\$ 789,511	\$ 508,700
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable		\$ 19,438	\$ 5,203
Accrued payroll, related taxes and benefits		28,673	18,123
	Total liabilities	48,111	23,326
NET ASSETS			
Unrestricted		208,838	86,944
Temporarily restricted		532,562	398,430
	Total net assets	741,400	485,374
	Total liabilities and net assets	\$ 789,511	\$ 508,700

See accompanying notes and accountant's review report.

EASTSIDE INTERFAITH SOCIAL CONCERNS COUNCIL
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2009 and 2008

	2009	2008
CHANGES IN UNRESTRICTED NET ASSETS		
Revenue and support		
Rent subsidies from county grants	\$ 121,432	\$ 85,150
Interest income	1,373	2,007
Dues income	1,865	1,600
Net assets released from restrictions	710,303	390,065
Total unrestricted revenue and support	834,973	478,822
 Expenses		
Program	710,303	390,831
Administrative	2,776	2,403
Total expenses	713,079	393,234
Increase in unrestricted net assets	121,894	85,588
 CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions from congregations and individuals	245,541	141,462
Contributions from foundations	30,000	-
City and County grants	444,856	253,159
ESAP and FEMA grants	14,734	16,259
United Way grants	47,890	47,884
Corporate and other contributions	50,719	13,756
Special events, net of expenses of \$4,991	10,695	-
Net assets released from restrictions	(710,303)	(390,065)
Increase in temporarily restricted net assets	134,132	82,455
Increase in net assets	256,026	168,043
 NET ASSETS, beginning of year	485,374	317,331
 NET ASSETS, end of year	\$ 741,400	\$ 485,374

See accompanying notes and accountant's review report.

**EASTSIDE INTERFAITH SOCIAL CONCERNS COUNCIL
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2009 and 2008**

<u>2009</u>	<u>Congregation for the Homeless</u>	<u>Sophia Way</u>	<u>Congregation for Kids</u>	<u>Total Program</u>	<u>Administration</u>	<u>Total</u>
Payroll expenses	\$ 256,914	\$ 119,915	\$ -	\$ 376,829	\$ -	\$ 376,829
Payroll tax and benefits	59,356	36,067	-	95,423	-	95,423
Contracted services	-	1,500	-	1,500	-	1,500
Housing expenses - net	108,069	26,439	-	134,508	-	134,508
Other program expenses	24,102	3,607	9,647	37,356	50	37,406
Professional services	9,727	1,150	-	10,877	1,208	12,085
Office expense	4,908	280	-	5,188	59	5,247
Office rent	6,000	2,596	-	8,596	-	8,596
Insurance	4,071	1,687	-	5,758	1,409	7,167
Bus tickets	1,967	400	-	2,367	-	2,367
Depreciation	757	823	-	1,580	-	1,580
Other expenses	19,451	10,870	-	30,321	50	30,371
	<u>\$ 495,322</u>	<u>\$ 205,334</u>	<u>\$ 9,647</u>	<u>\$ 710,303</u>	<u>\$ 2,776</u>	<u>\$ 713,079</u>
<u>2008</u>	<u>Congregation for the Homeless</u>	<u>Sophia Way</u>	<u>Congregation for Kids</u>	<u>Total Program</u>	<u>Administration</u>	<u>Total</u>
Payroll expenses	\$ 192,291	\$ 6,008	\$ -	\$ 198,299	\$ -	\$ 198,299
Payroll tax and benefits	48,689	694	-	49,383	-	49,383
Contracted services	747	-	-	747	-	747
Housing expenses - net	86,891	-	-	86,891	-	86,891
Other program expenses	13,756	232	8,296	22,284	-	22,284
Professional services	4,549	-	-	4,549	936	5,485
Program supplies	2,819	3,325	-	6,144	57	6,201
Office rent	1,500	-	-	1,500	-	1,500
Insurance	7,389	-	-	7,389	1,410	8,799
Bus tickets	2,300	400	-	2,700	-	2,700
Depreciation	1,381	-	-	1,381	-	1,381
Other expenses	8,755	809	-	9,564	-	9,564
	<u>\$ 371,067</u>	<u>\$ 11,468</u>	<u>\$ 8,296</u>	<u>\$ 390,831</u>	<u>\$ 2,403</u>	<u>\$ 393,234</u>

See accompanying notes and accountant's review report.

EASTSIDE INTERFAITH SOCIAL CONCERNS COUNCIL
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 and 2008

	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES		
Increase in total net assets	\$ 256,026	\$ 168,043
Depreciation	1,580	1,381
Increase in receivables	(207,065)	(128,421)
Increase in bedding supplies and deposits	(5,124)	(344)
Increase in accounts payable	14,235	3,193
Increase in accrued payroll, related taxes and benefits	10,550	7,951
Net cash provided by operating activities	70,202	51,803
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of equipment	(12,737)	(4,158)
Net cash used in investing activities	(12,737)	(4,158)
Net increase in cash	57,465	47,645
CASH, beginning of year	153,514	105,869
CASH, end of year	\$ 210,979	\$ 153,514

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**EASTSIDE INTERFAITH SOCIAL CONCERNS COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Eastside Interfaith Social Concerns Council (EISCC), is a Washington not-for-profit corporation. Programs sponsored by EISCC include Congregation for the Homeless (CFH), Sophia Way, and Congregation for Kids (Kids). CFH and Sophia Way provide temporary shelter, food, and case management services to homeless men (CFH) and homeless women (Sophia Way). These two programs also place residents in their temporary shelter programs into permanent housing. Kids provides backpacks and school supplies to needy students in the Bellevue Public Schools. Sophie Way is a new program commencing in December 2008. Kids has operated for several years as an independent agency and became part of EISCC in August 2008. At the time Kids became a part of EISCC, they donated \$5,300, accumulated funds for this program.

Financial Statement Presentation – EISCC presents its financial statements in accordance with financial accounting standards. Under those requirements, EISCC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Reporting of net assets is a function of the existence or nature of any donor restrictions on contributions. 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, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Value of Services – Participating church communities in the temporary shelter program furnish on a daily basis temporary housing in their own facilities and voluntary help provides meals. The value of these services, which are furnished free of charge, are not reflected in these financial statements.

Cash and Cash Equivalents – For purposes of the statements of cash flows, EISCC considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. Cash balances may periodically exceed federally insured limits.

Contributions Receivable – Contributions receivable represents an unconditional pledge from King County. The pledge has been determined to be fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at December 31, 2009 or 2008.

Bedding Supplies – Bedding supplies are stated at cost, and are expensed as used.

Trailers and Equipment – The trailers and equipment are valued at cost, and are depreciated using a straight line method over a ten year life expectancy to estimated salvage value for the trailers and over three years for the equipment.

Functional Expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Federal Income Taxes – EISCC is exempt from income taxes under Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes is required.

See accountant's review report.

**EASTSIDE INTERFAITH SOCIAL CONCERNS COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – PROGRAM MANAGEMENT AND SERVICES

Beginning in 2007, CFH began providing assistance in placing residents of its temporary shelter program in permanent rental housing. Permanent rental housing landlords receive market rate rents from two sources. Tenants pay rent based upon personal income formulas. The balance is subsidized from a King County grant obtained by CFH. The original grant was for five years beginning April 1, 2007, for \$81,800 per year. The grant provided \$42,000 for rent subsidies, \$37,800 for case management support, and the balance of \$2,000 for other costs.

In 2008, CFH received an amendment to the above five year grant: beginning April 1, 2008 an additional \$85,690 per year for five years will be received of which \$51,026 will be allocated for rent subsidies and \$34,664 for case management support.

In 2009, CFH received an additional amendment to the above five year grant: beginning April 1, 2009 an additional \$140,685 per year for 5 years will be received of which \$84,209 will be allocated for rent subsidies, \$53,476 for case management support, and \$3,000 for other costs. At December 31, 2009 and 2008, \$84,306 and \$42,442, respectively, is included in grants and accounts receivable.

In 2009, Sophia Way began placing residents in its temporary shelter program in permanent rental housing. Funding for this program, known as the Rosco Housing Fund, was from a \$145,000 donation from a private donor. Individual tenants receive rent subsidies for a maximum of two years. This fund ends in December 2011.

NOTE 3- TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted as follows as of December 31:

	2009	2008
Program Activities - time and purpose restrictions:		
Congregation for the Homeless	\$ 366,200	\$ 315,975
Sophia Way	156,673	77,676
Congregation for Kids	9,689	4,779
	\$ 532,562	\$ 398,430

Net assets were released from donor restrictions by incurring expenses satisfying the restriction as follows:

Congregation for the Homeless	\$ 495,322	\$ 370,301
Sophia Way	205,334	11,468
Congregation for Kids	9,647	8,296
	\$ 710,303	\$ 390,065

NOTE 4 – RETIREMENT PLAN

Effective July 1, 2007, EISCC established a retirement plan under Section 408(p) of the Internal Revenue Code. Under the plan, (SIMPLE (Savings Incentive Match Plan)), employees are eligible to receive contributions of 3% of compensation from EISCC. Employer contributions were \$8,177 and \$5,479 for the years ended December 31, 2009 and 2008, respectively.

See accountant's review report.

**EASTSIDE INTERFAITH SOCIAL CONCERNS COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – MEMORIAL CONTRIBUTIONS

During 2006 and prior years EISCC received contributions totaling \$4,496 in memory of Nadine Shannon, founding director of CFH, who passed away in August of 2004. These funds are unrestricted but will be used in a way to best honor her memory. No purchases have yet been made with these funds.

NOTE 6 – OPERATING LEASES

EISCC currently leases three resident homes (CFH – two, Sophia Way - one), to provide permanent housing to its clients and a resident house manager. All three leases require monthly payments: one of \$2,250 through December 2012, one of \$2,200 (increasing \$100 each year) through April 2014, and another of \$1,995 through August 2010. Rent expense under the lease agreements was \$46,800 and \$29,250 for the years ended December 31, 2009 and 2008, respectively. The lease agreements require EISCC to pay for repairs to the facilities.

Minimum lease payments for the next five years:

Year ending December 31,	Amount
2010	\$ 70,160
2011	55,400
2012	55,475
2013	30,800
2014	10,400
	\$ 222,235

NOTE 7 – SUBSEQUENT EVENTS

The Board of Directors and management have evaluated subsequent events through May 23, 2010, the date the financial statements were available to be issued.

EISCC received a grant from King County for Sophia Way. The period of the grant is April 1, 2010, through March 31, 2015. The grant provides \$342,000 to be used to provide services and rental assistance to homeless women.

EISCC received a grant from the United Way for Sophia Way. The period of the grant is July 1, 2010, through June 30, 2011. The grant provides \$58,508 to provide stability and permanent home placement of homeless women.

EISCC for CFH leased its third resident home on March 1, 2010, with a 5 year lease and an option to renew the lease for another 5 years. The lease requires monthly payments of \$2,000.

NOTE 10 – ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

EISCC as a tax-exempt organization files an annual federal information return (Form 990). EISCC has adopted provisions of a new accounting standard regarding accounting for uncertainties in income taxes and has evaluated whether it is more likely than not that positions the Organization have taken would result in the recognition of additional taxable income or the loss of its tax-exempt status. Based upon its evaluation, EISCC concluded that they are operating in compliance within its tax-exempt status and that there are no matters that would create taxable income.

See accountant's review report.

SUPPLEMENTARY INFORMATION

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EASTSIDE INTERFAITH SOCIAL CONCERNS COUNCIL
SUPPLEMENTARY INFORMATION
CONDENSED STATEMENTS OF PROGRAM RECEIPTS & DISBURSEMENTS

	Congregation for the Homeless Year ended December 31:				
	2009	2008	2007	2006	2005
Revenues and support received					
Contributions from congregations	\$ 26,695	\$ 39,243	\$ 45,896	\$ 38,967	\$ 11,466
City and County grants	554,322	338,309	303,011	67,102	67,807
ESAP and FEMA grants	14,734	16,259	14,196	13,229	13,114
United Way grants	47,890	47,884	30,746	24,540	20,242
Corporate and other contributions	23,338	13,756	25,178	12,037	8,856
Total revenue and support	<u>666,979</u>	<u>455,451</u>	<u>419,027</u>	<u>155,875</u>	<u>121,485</u>
Program expenses	<u>495,322</u>	<u>371,067</u>	<u>194,983</u>	<u>141,520</u>	<u>127,317</u>
Excess revenue (expenses)	<u>\$ 171,657</u>	<u>\$ 84,384</u>	<u>\$ 224,044</u>	<u>\$ 14,355</u>	<u>\$ (5,832)</u>

	Sophia Way Year ended December 31:				
	2009	2008	2007	2006	2005
Revenues and support received					
Contributions from congregations	\$ 204,289	\$ 89,144	\$ -	\$ -	\$ -
City and County grants	11,966	-	-	-	-
Corporate and other contributions	27,381	-	-	-	-
Foundations	30,000	-	-	-	-
Special events	10,695	-	-	-	-
Total revenue and support	<u>284,331</u>	<u>89,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program expenses	<u>205,334</u>	<u>11,468</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenue (expenses)	<u>\$ 78,997</u>	<u>\$ 77,676</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Congregation for Kids Year ended December 31:				
	2009	2008	2007	2006	2005
Revenues and support received					
Contributions from congregations	\$ 14,557	\$ 13,075	\$ -	\$ -	\$ -
Program expenses	<u>9,647</u>	<u>8,296</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenue (expenses)	<u>\$ 4,910</u>	<u>\$ 4,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accountant's review report.