

EVICTION INTERVENTION SERVICES,
HOMELESSNESS PREVENTION, INC.

COMPARATIVE FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

(WITH INDEPENDENT AUDITORS' REPORT)

EVICTION INTERVENTION SERVICES,
HOMELESSNESS PREVENTION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Eviction Intervention Services, Homelessness Prevention, Inc.

We have audited the accompanying statements of financial position of Eviction Intervention Services, Homelessness Prevention, Inc. as of June 30, 2010 and 2009 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of 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 audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Eviction Intervention Services, Homelessness Prevention, Inc. as of June 30, 2010 and 2009 and results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Lipsky, Goodkin & Co., P.C.

January 14, 2011

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30,

ASSETS

	<u>2010</u>	<u>2009</u>
Cash and cash equivalent	\$ 36,737	\$ 34,908
Receivable		
Government contracts	32,786	77,439
Others	104,117	21,367
Prepaid expenses	8,136	10,802
Security deposit	4,366	4,366
Equipment, net of accumulated depreciation of of \$33,131 in 2010 and 31,830 in 2009	<u>4,349</u>	<u>5,650</u>
Total assets	<u>\$ 190,491</u>	<u>\$ 154,532</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 20,069	\$ 25,469
Deferred revenues	38,669	43,064
Loans payable	<u>-</u>	<u>35,000</u>
Total liabilities	<u>58,738</u>	<u>103,533</u>
Net Assets		
Unrestricted	131,753	50,999
Temporarily restricted	<u>-</u>	<u>-</u>
Total net assets	<u>131,753</u>	<u>50,999</u>
Total liabilities and net assets	<u>\$ 190,491</u>	<u>\$ 154,532</u>

See Notes to Financial Statements.

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

YEARS ENDED JUNE 30,

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2010</u>	<u>2009</u>
<u>SUPPORT AND REVENUE</u>				
Contributions				
Individual	\$ 14,391	\$ -	\$ 14,391	\$ 14,254
Corporations	287	-	287	22,834
Foundations	44,657	-	44,657	15,138
Government contracts	566,507	-	566,507	568,570
Settlement from lawsuit	92,500	-	92,500	-
Rent assistance programs				
Foundations	-	130,607	130,607	106,814
Federal entitlement payments	-	57,190	57,190	52,031
Federal emergency management agency	-	34,364	34,364	15,966
Special event	9,171	-	9,171	980
Special event expenses	-	-	-	-
Interest and investment income	129	-	129	1,224
Net assets released from restrictions	<u>222,161</u>	<u>(222,161)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>949,803</u>	<u>-</u>	<u>949,803</u>	<u>797,811</u>
<u>EXPENSES</u>				
Program services	779,125	-	779,125	705,320
Support services	<u>89,924</u>	<u>-</u>	<u>89,924</u>	<u>135,476</u>
Total expenses	<u>869,049</u>	<u>-</u>	<u>869,049</u>	<u>840,796</u>
Change in net assets	80,754	-	80,754	(42,985)
Net assets - beginning of year	<u>50,999</u>	<u>-</u>	<u>50,999</u>	<u>93,984</u>
Net assets - end of year	<u>\$ 131,753</u>	<u>\$ -</u>	<u>\$ 131,753</u>	<u>\$ 50,999</u>

See Notes to Financial Statements.

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30,

	<u>Program Services</u>	<u>Support Services</u>	<u>2010 Total</u>	<u>2009 Total</u>
Salaries	\$ 347,526	\$ 44,391	\$ 391,917	\$ 442,379
Employee benefits	80,826	10,344	91,170	88,828
Professional fees	34,134	18,365	52,499	6,475
Temporary help	24,287	13,078	37,365	28,477
Accounting fees	9,714	6,786	16,500	35,500
Rent	52,751	1,383	54,134	52,391
Communication	8,887	444	9,331	13,744
Postage	3,211	1,173	4,384	1,936
Supplies and equipment	20,153	3,248	23,401	24,025
Fees, dues and subscriptions	897	10,438	11,335	14,254
Printing and publications	1,039	4,052	5,091	3,730
Travel	6,501	5,620	12,121	7,167
Insurance	11,585	2,786	14,371	18,818
Meetings and seminars	906	1,076	1,982	1,827
Miscellaneous	-	5,682	5,682	6,323
Administrative overhead	40,498	(40,498)	-	-
Rent assistance payments	87,767	-	87,767	33,617
Clients' stipends	48,443	-	48,443	49,073
Recruitment and advertising	-	-	-	-
Maintenance and repairs	-	-	-	15
Bank charges	-	255	255	1,854
Depreciation	-	1,301	1,301	753
Moving expenses	-	-	-	9,610
Total	<u>\$ 779,125</u>	<u>\$ 89,924</u>	<u>\$ 869,049</u>	<u>\$ 840,796</u>

See Notes to Financial Statements.

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30,

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>2010</u>	<u>2009</u>
Increase (Decrease) in net assets	\$ 80,754	\$ (42,985)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities:		
Depreciation	1,301	753
(Increase) decrease in:		
Accounts receivable	44,653	(24,491)
Other receivables	(82,750)	23,215
Prepaid expenses	2,666	1,101
Security deposit	-	(4,366)
Increase (decrease) in:		
Accounts payable and accrued expenses	(5,400)	1,974
Deferred revenues	(4,395)	8,696
Total adjustments	<u>(43,925)</u>	<u>6,882</u>
Net cash (used in) provided by operating activities	<u>36,829</u>	<u>(36,103)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of equipment	<u>-</u>	<u>(5,485)</u>
Net cash used in investing activities	<u>-</u>	<u>(5,485)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from loans payable	-	50,000
Reduction in loans payable	<u>(35,000)</u>	<u>(15,000)</u>
Net cash provided by (used in) financing activities	<u>(35,000)</u>	<u>35,000</u>
Net increase (decrease) in cash	1,829	(6,588)
<u>CASH - BEGINNING OF YEAR</u>	<u>34,908</u>	<u>41,496</u>
<u>CASH - END OF YEAR</u>	<u>\$ 36,737</u>	<u>\$ 34,908</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

Note 1 Organization

Eviction Intervention Services, Homelessness Prevention, Inc. (the "Organization") was incorporated under the not-for-profit law of State of New York. The mission is to prevent homelessness. It is accomplished by keeping residents in their communities, preserving existing affordable housing, and promoting and supporting the construction of affordable housing for low income families.

Note 2 Summary of Significant Accounting Principles

Accrual basis- The financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States as applicable to not-for-profit entities.

Contributions - Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designed as support for future periods when a donor restriction is accomplished. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets are released from restrictions.

Gifts of goods and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted contributions. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed into service.

Classification of net assets - Unrestricted: these are assets from unrestricted contributions and from other resources not subject to donor-imposed restrictions. Temporarily restricted: these are assets from temporary restrictions whose donor-imposed restrictions have not been met due to actions of the Organizations and/or the passage of time.

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, liabilities, revenues and expenses, and disclosure of contingencies. Actual results may differ from those estimates.

Cash and cash equivalents - The Organization considers all liquid investments with maturities, when purchased, of three months or less to be cash equivalent.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

Note 2 Summary of Significant Accounting Principles

Government contracts receivable - They are reported at their outstanding unpaid principal balances. The organization writes off the balance when it is determined to be uncollectible.

Fixed assets - Furniture, fixtures and equipment are stated at cost and depreciated over the estimated useful lives of the assets using the straight line method.

Income taxes - The Organization is exempt from federal taxes under section 501 (c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws.

Functional allocations of expenses - The cost of providing the 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 program and supporting services benefitted.

Note 3 Concentration of credit risk

The Organization has bank deposits which at times may exceed federally insured limits.

Note 4 Government contracts receivable

Government contracts receivable consist of the following:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
NYC Dept. of Homeless Service	\$ 32,786	\$ 57,439
NYC Dept. of Youth and Community Development	<u>-</u>	<u>20,000</u>
	<u>\$ 32,786</u>	<u>\$ 77,439</u>

Note 5 Contingencies

The Organization's activities are influenced by the size of a single contract with New York City Department of Homeless Services for services to certain families and individuals. During the fiscal year ending June 30, 2010 the Organization was notified that this contract will not be renewed for the fiscal year ending June 30, 2011. The loss of the funding associated with this contract has had a substantial effect on the operations of the Organization.

The financial statements of the Organization are subject to audit by the NYC Department of Homeless Services. If there are any disallowances or adjustments necessary as a result of an audit, such adjustments, if any, will be made in the year of settlement.

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

Note 6 Government contracts

The revenue from government contracts are as follows:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
New York City Department of Homeless Service	\$ 446,394	\$ 485,486
New York State Division of Housing & Community Renewal	82,500	32,000
Community Consultant Contracts	10,013	24,351
New York City Department of Youth and Community Development	20,000	20,000
Miscellaneous	<u>7,600</u>	<u>6,733</u>
	<u>\$ 566,507</u>	<u>\$ 568,570</u>

Note 7 Rent assistance programs

Funds received from individuals, foundations, FEMA and Federal Government Agencies are funds held for clients' need for which the Organization has no discretion. They are recorded as income and expenses in the temporarily restricted funds. The unused funds are recorded as deferred revenues in the statement of financial position.

Note 8 Loans payable

For the year ended June 30, 2010, the Organization was indebted to the Fund for the City of New York as follows:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Fund for the City of New York	<u>\$ -</u>	<u>\$ 35,000</u>
	<u>\$ -</u>	<u>\$ 35,000</u>

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

Note 9 Temporarily restricted assets

The temporarily restricted net assets at the fiscal year ended are the result of time restrictions.

June 30, 2010

	<u>June 30, 2009</u>	<u>Addition</u>	<u>Released</u>	<u>June 30, 2010</u>
	<u>Balance</u>			<u>Balance</u>
Rent assistance programs				
Foundations	\$ -	\$130,607	\$ 130,607	\$ -
Federal entitlement				
payments	-	57,190	57,190	-
FEMA payments	-	34,364	34,364	-
New York Community Trust	-	-	-	-
Andrew Mellon Foundation	-	-	-	-
	<u>\$ -</u>	<u>\$ 222,161</u>	<u>\$ 222,161</u>	<u>\$ -</u>

June 30, 2009

	<u>June 30, 2008</u>	<u>Addition</u>	<u>Released</u>	<u>June 30, 2009</u>
	<u>Balance</u>			<u>Balance</u>
Rent assistance programs				
Foundations	\$ 38,333	\$106,814	\$ 145,147	\$ -
Federal entitlement				
payments	-	52,031	52,031	-
FEMA payments	-	15,966	15,966	-
New York Community Trust	-	-	-	-
Andrew Mellon Foundation	-	-	-	-
	<u>\$ 38,333</u>	<u>\$ 174,811</u>	<u>\$ 213,144</u>	<u>\$ -</u>

EVICION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

Note 10 Functional Expenses

	Program Services			Support Services			June 30, 2010 Total Program and Support Services	June 30, 2009 Total Program and Support Services
	Family Services	Senior Services	Single Adult Services	Administration	Fund-Raising	Total Support Services		
Salaries	\$ 321,865	\$ 22,934	\$ 2,727	\$ 44,391	\$ -	\$ 44,391	\$ 391,917	\$ 442,379
Employee benefits	74,863	5,329	634	10,344	-	10,344	91,170	88,828
Subtotal	<u>396,728</u>	<u>28,263</u>	<u>3,361</u>	<u>54,735</u>	<u>-</u>	<u>54,735</u>	<u>483,087</u>	<u>531,207</u>
Professional fees	34,134	-	-	18,365	-	18,365	52,499	6,475
Temporary help	24,287	-	-	13,078	-	13,078	37,365	28,477
Accounting fees	8,615	1,099	-	6,786	-	6,786	16,500	35,500
Rent	46,104	6,647	-	1,383	-	1,383	54,134	52,391
Telephone / Communication	8,887	-	-	444	-	444	9,331	13,744
Postage	1,533	839	839	1,173	-	1,173	4,384	1,936
Supplies and equipment	20,153	-	-	3,248	-	3,248	23,401	24,025
Fees, dues and subscriptions	897	-	-	10,438	-	10,438	11,335	14,254
Printing and publications	1,039	-	-	2,832	1,220	4,052	5,091	3,730
Travel	6,501	-	-	5,620	-	5,620	12,121	7,167
Insurance	11,585	-	-	2,786	-	2,786	14,371	18,818
Meetings and seminars	906	-	-	1,076	-	1,076	1,982	1,827
Miscellaneous	-	-	-	5,682	-	5,682	5,682	6,323
Administrative overhead	40,498	-	-	(40,498)	-	(40,498)	-	-
Rent assistance payments	29,479	42,936	15,352	-	-	-	87,767	33,617
Clients' stipends	2,368	44,217	1,858	-	-	-	48,443	49,073
Maintenance and repairs	-	-	-	-	-	-	-	15
Bank charges	-	-	-	255	-	255	255	1,854
Depreciation	-	-	-	1,301	-	1,301	1,301	753
Moving expenses	-	-	-	-	-	-	-	9,610
Subtotal	<u>236,986</u>	<u>95,738</u>	<u>18,049</u>	<u>33,969</u>	<u>1,220</u>	<u>35,189</u>	<u>385,962</u>	<u>309,589</u>
Total expenses	<u>\$ 633,714</u>	<u>\$ 124,001</u>	<u>\$ 21,410</u>	<u>\$ 88,704</u>	<u>\$ 1,220</u>	<u>\$ 89,924</u>	<u>\$ 869,049</u>	<u>\$ 840,796</u>