

**EVICTION INTERVENTION SERVICES,
HOMELESSNESS PREVENTION, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2011

(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 statement of financial position of Eviction Intervention Services, Homelessness Prevention, Inc. as of June 30, 2011 the related statement of activities, functional expenses, and cash flows for the year 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, 2011 and results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lipsky, Goodkin & Co., P.C.

April 5, 2012

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2011

ASSETS

Cash and cash equivalent	\$ 41,318
Receivable:	
Government contracts	-
Others	4,000
Prepaid expenses	377
Security deposit	4,366
Equipment, net of accumulated depreciation of of \$34,432	<u>3,048</u>
Total assets	<u>\$ 53,109</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	\$ 9,492
Loan payable	5,000
Deferred revenues	<u>21,238</u>
Total liabilities	<u>35,730</u>
Net Assets	
Unrestricted	17,379
Temporarily restricted	<u>-</u>
Total net assets	<u>17,379</u>
Total liabilities and net assets	<u>\$ 53,109</u>

See Notes to Financial Statements.

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

YEAR ENDED JUNE 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Contributions			
Individual	\$ 5,982	\$ -	\$ 5,982
Corporations	22,950	-	22,950
Foundations	23,352	-	23,352
Government contracts	55,847	-	55,847
Rent assistance programs			
Foundations	-	84,745	84,745
Federal entitlement payments	-	44,672	44,672
Federal emergency management agency	-	10,600	10,600
Special event	5,420	-	5,420
Interest and investment income	130	-	130
Other income	3,746	-	3,746
Net assets released from restrictions	<u>140,017</u>	<u>(140,017)</u>	<u>-</u>
Total support and revenue	<u>257,444</u>	<u>-</u>	<u>257,444</u>
<u>EXPENSES</u>			
Program services	339,169	-	339,169
Support services	<u>32,649</u>	<u>-</u>	<u>32,648</u>
Total expenses	<u>371,818</u>	<u>-</u>	<u>371,818</u>
Decrease in net assets	(114,374)	-	(114,374)
Net assets - beginning of year	<u>131,753</u>	<u>-</u>	<u>131,753</u>
Net assets - end of year	<u>\$ 17,379</u>	<u>\$ -</u>	<u>\$ 17,379</u>

See Notes to Financial Statements.

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2011

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Salaries	\$ 151,579	\$ 19,361	\$ 170,940
Employee benefits	46,137	5,905	52,042
Temporary help	8,096	4,360	12,456
Accounting fees	2,943	2,057	5,000
Rent	10,144	266	10,410
Communication	5,524	276	5,800
Postage	1,575	575	2,150
Supplies and equipment	5,993	966	6,959
Fees, dues and subscriptions	339	3,947	4,286
Printing and publications	154	599	753
Travel	2,933	2,536	5,469
Insurance	8,641	2,078	10,719
Meetings and seminars	229	271	500
Miscellaneous	-	5,062	5,062
Administrative overhead	17,327	(17,327)	-
Rent assistance payments	38,026	-	38,026
Clients' stipends	39,529	-	39,529
Bank charges	-	416	416
Depreciation	-	1,301	1,301
Total	<u>\$ 339,169</u>	<u>\$ 32,649</u>	<u>\$ 371,818</u>

See Notes to Financial Statements.

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$ (114,374)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	1,301
(Increase) decrease in:	
Accounts receivable	32,786
Other receivables	100,117
Prepaid expenses	7,759
Increase (decrease) in:	
Accounts payable and accrued expenses	(10,577)
Deferred revenues	<u>(17,431)</u>
Total adjustments	<u>113,955</u>
Net cash used by operating activities	<u>(419)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from loan payable	<u>5,000</u>
Net cash provided by financing activities	<u>5,000</u>
Net increase in cash	4,581
<u>CASH - BEGINNING OF YEAR</u>	<u>36,737</u>
<u>CASH - END OF YEAR</u>	<u>\$ 41,318</u>

See Notes to Financial Statements.

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

Note 1 Organization

Eviction Intervention Services, Homelessness Prevention, Inc. (the "Organization") was incorporated under the not-for-profit law of the 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 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.

EVICTION INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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 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, 2011

Note 5 Government contracts

The revenue from government contracts are as follows:

	<u>June 30, 2011</u>
New York City Department of Homeless Services	\$ 20,176
Community Consultant Contracts	10,351
New York City Department of Youth and Community Development	20,000
Miscellaneous	<u>5,320</u>
	<u>\$ 55,847</u>

Note 6 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 7 Temporarily restricted assets

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

June 30, 2011

	<u>June 30, 2010</u>			<u>June 30, 2011</u>
	<u>Balance</u>	<u>Addition</u>	<u>Released</u>	<u>Balance</u>
Rent assistance programs				
Foundations	\$ -	\$ 84,745	\$ 84,745	\$ -
Federal entitlement payments	-	44,672	44,672	-
FEMA payments	<u>-</u>	<u>10,600</u>	<u>10,600</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 140,017</u>	<u>\$ 140,017</u>	<u>\$ -</u>

EVICTON INTERVENTION SERVICES, HOMELESSNESS PREVENTION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

Note 8 Functional Expenses

	Program Services			Total Program Services	Support Services			Total Program and Support Services
	Family Services	Senior Services	Single Adult Services		Administration	Fund-Raising	Total Support Services	
Salaries	\$ 140,386	\$ 10,004	\$ 1,189	\$ 151,579	\$ 19,361	\$ -	\$ 19,361	\$ 170,940
Employee benefits	42,734	3,042	361	46,137	5,905	-	5,905	52,042
Subtotal	183,120	13,046	1,550	197,716	25,266	-	25,266	222,982
Temporary help	8,096	-	-	8,096	4,360	-	4,360	12,456
Accounting fees	2,610	333	-	2,943	2,057	-	2,057	5,000
Rent	8,866	1,278	-	10,144	266	-	266	10,410
Telephone / Communication	5,524	-	-	5,524	276	-	276	5,800
Postage	753	411	411	1,575	575	-	575	2,150
Supplies and equipment	5,993	-	-	5,993	966	-	966	6,959
Fees, dues and subscriptions	339	-	-	339	3,947	-	3,947	4,286
Printing and publications	154	-	-	154	418	181	599	753
Travel	2,933	-	-	2,933	2,536	-	2,536	5,469
Insurance	8,641	-	-	8,641	2,078	-	2,078	10,719
Meetings and seminars	229	-	-	229	271	-	271	500
Miscellaneous	-	-	-	-	5,062	-	5,062	5,062
Administrative overhead	17,327	-	-	17,327	(17,327)	-	(17,327)	-
Rent assistance payments	12,772	18,602	6,652	38,026	-	-	-	38,026
Clients' stipends	1,932	36,081	1,516	39,529	-	-	-	39,529
Bank charges	-	-	-	-	416	-	416	416
Depreciation	-	-	-	-	1,301	-	1,301	1,301
Subtotal	75,935	56,705	8,579	141,453	7,202	181	7,383	148,836
Total expenses	\$ 259,055	\$ 69,751	\$ 10,129	\$ 339,169	\$ 32,468	\$ 181	\$ 32,649	\$ 371,818