
BAYSIDE HOUSING & SERVICES
A Washington Not For Profit Organization

Financial Statements

For the Years Ended December 31, 2021 and 2020

TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets-2021.....	4
Statement of Activities and Changes in Net Assets-2020.....	5
Statement of Functional Expenses-2021	6
Statement of Functional Expenses-2020.....	7
Statement of Cash Flows.....	8
Notes to the Financial Statements.....	9

Independent Auditor's Report

To the Board of Directors
Bayside Housing and Services
Port Hadlock, WA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bayside Housing and Services (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Aiken & Sanders, Inc., PS

A handwritten signature in cursive script that reads "Aiken & Sanders".

Certified Public Accountants
& Consultants

May 17, 2022

Montesano, WA

Bayside Housing & Services
A Washington Not For Profit Organization
Statement of Financial Position
As of December 31, 2021 and 2020

Assets	2021	2020
Current Assets:		
Cash and cash equivalents	\$ 317,062	\$ 260,840
Accounts receivable	49,518	29,511
Current portion: pledges receivable	-	10,000
Prepaid expenses	2,864	14,623
Total Current Assets	369,444	314,974
Fixed Assets:		
Furniture and equipment	8,499	8,499
Office equipment	6,902	1,263
Buildings and improvements	482,019	160,529
Less: Accumulated depreciation	(25,666)	(3,611)
Fixed Assets, Net	471,754	166,680
Other Assets:		
Long term pledges receivable: net of discount	707,483	707,483
Total Other Assets	707,483	707,483
Total Assets	\$ 1,548,681	\$ 1,189,137
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 66,765	\$ 27,160
Payroll and related accrued expenses	6,646	4,167
Deferred revenue	-	7,528
Current portion: notes payable	86,183	80,283
Total Current Liabilities	159,594	119,138
Long Term Liabilities:		
Notes payable-net of current portion	205,000	205,000
Total Long Term Liabilities	205,000	205,000
Net Assets:		
With donor restrictions	-	72,512
Without donor restrictions	1,184,087	792,487
Total Net Assets	1,184,087	864,999
Total Liabilities and Net Assets	\$ 1,548,681	\$ 1,189,137

The accompanying notes are an integral part of these financial statements.

Bayside Housing & Services
A Washington Not For Profit Organization

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Totals</u>
Support and Revenues:			
Contributions	\$ 583,890	\$ -	\$ 583,890
Inkind contributions	256,882	-	256,882
Grant revenue	318,949	-	318,949
Rental revenue	97,336	-	97,336
Special event revenue	17,176	-	17,176
Investment revenue	1,951	-	1,951
Service fees and other revenue	99,186	-	99,186
Released from restrictions	72,512	(72,512)	-
Total Support and Revenue	<u>1,447,882</u>	<u>(72,512)</u>	<u>1,375,370</u>
Expenses:			
Program services	724,290	-	724,290
Management and general	212,679	-	212,679
Fundraising	119,313	-	119,313
Total Expenses	<u>1,056,282</u>	<u>-</u>	<u>1,056,282</u>
Change in Net Assets	391,600	(72,512)	319,088
Net Assets, Beginning of Year	<u>792,487</u>	<u>72,512</u>	<u>864,999</u>
Net Assets, End of Year	<u>\$ 1,184,087</u>	<u>\$ -</u>	<u>\$ 1,184,087</u>

The accompanying notes are an integral part of these financial statements.

Bayside Housing & Services
A Washington Not For Profit Organization

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Totals</u>
Support and Revenues:			
Contributions	\$ 330,948	\$ 72,512	\$ 403,460
Inkind contributions	73,670	-	73,670
Grant revenue	202,914	-	202,914
Rental revenue	98,932	-	98,932
Special event revenue	5,541	-	5,541
Investment revenue	831	-	831
Service fees and other revenue	22,514	-	22,514
Total Support and Revenue	<u>735,350</u>	<u>72,512</u>	<u>807,862</u>
Expenses:			
Program services	456,025	-	456,025
Management and general	89,392	-	89,392
Fundraising	18,122	-	18,122
Total Expenses	<u>563,539</u>	<u>-</u>	<u>563,539</u>
Change in Net Assets	171,811	72,512	244,323
Net Assets, Beginning of Year	<u>620,676</u>	<u>-</u>	<u>620,676</u>
Net Assets, End of Year	<u>\$ 792,487</u>	<u>\$ 72,512</u>	<u>\$ 864,999</u>

The accompanying notes are an integral part of these financial statements.

Bayside Housing & Services
A Washington Not For Profit Organization

Statement of Functional Expenses
For the Year Ended December 31, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 110,461	\$ 73,619	\$ 54,413	\$ 238,493
Payroll taxes	11,195	7,461	5,515	24,171
Benefits	1,775	1,183	874	3,832
Bank fees and charges	1,022	1,614	1,016	3,652
Professional services	16,849	50,110	2,696	69,655
Repairs and maintenance	29,958	-	-	29,958
Property tax	2,152	-	-	2,152
Travel	5,121	-	-	5,121
Depreciation and amortization	19,849	2,206	-	22,055
Occupancy	279,140	32,840	16,420	328,400
Technology	6,823	803	401	8,027
Insurance	7,339	863	432	8,634
Interest	5,900	-	-	5,900
Dues & subscriptions	4,971	2,712	4,480	12,163
Advertising	-	-	9,746	9,746
Program expense	130,630	-	-	130,630
Inkind expense	91,105	31,878	23,320	146,303
Bad debt expense	-	3,143	-	3,143
Miscellaneous expense	-	4,247	-	4,247
Total Expenses	<u>\$ 724,290</u>	<u>\$ 212,679</u>	<u>\$ 119,313</u>	<u>\$ 1,056,282</u>

The accompanying notes are an integral part of these financial statements.

Bayside Housing & Services
A Washington Not For Profit Organization

Statement of Functional Expenses
For the Year Ended December 31, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 84,291	\$ 9,365	\$ -	\$ 93,656
Payroll taxes	11,428	1,269	-	12,697
Bank fees and charges	-	382	910	1,292
Professional services	39,152	47,120	3,960	90,232
Repairs and maintenance	17,602	-	-	17,602
Office expenses	-	709	352	1,061
Property tax	2,214	-	-	2,214
Travel	734	-	-	734
Depreciation and amortization	696	253	-	949
Occupancy	236,366	26,252	-	262,618
Technology	4,507	501	-	5,008
Insurance	4,669	519	-	5,188
Interest	6,098	-	-	6,098
Dues & subscriptions	-	1,511	-	1,511
Advertising	-	437	11,105	11,542
Program expense	48,072	-	-	48,072
Miscellaneous expense	196	1,074	1,795	3,065
Total Expenses	<u>\$ 456,025</u>	<u>\$ 89,392</u>	<u>\$ 18,122</u>	<u>\$ 563,539</u>

The accompanying notes are an integral part of these financial statements.

Bayside Housing & Services
A Washington Not For Profit Organization

Statement of Cash Flows
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from grantors, donors and customers	\$ 1,095,859	\$ 698,506
Cash paid to vendors and suppliers	(561,021)	(498,996)
Cash paid to and on behalf of employees	(264,017)	(105,308)
Cash received from interest	1,951	831
Net cash provided (used) by operating activities	<u>272,772</u>	<u>95,033</u>
Cash flows from investing activities:		
Cash paid for capital assets	(216,550)	(92,433)
Net cash provided (used) by investing activities	<u>(216,550)</u>	<u>(92,433)</u>
Cash flows from financing activities:		
Cash received from loans	-	150,000
Cash paid to loans	-	(9,023)
Net cash provided (used) by financing activities	<u>-</u>	<u>140,977</u>
Net increase (decrease) in cash & cash equivalents	56,222	143,577
Cash & cash equivalents at beginning of year	<u>260,840</u>	<u>117,263</u>
Cash & cash equivalents at end of year	<u>\$ 317,062</u>	<u>\$ 260,840</u>
Reconciliation of increase (decrease) in net assets to net cash provided (used) by operating activities:		
Increase (decrease) in net assets:	\$ 319,088	\$ 244,323
Adjustments:		
Depreciation and amortization	22,055	949
Bad debts	3,143	-
Capitalized inkind donations	(110,579)	(73,670)
Change in pledge discount	-	(4,810)
Interest expense additions to loans payable	5,900	5,214
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(23,149)	(26,688)
(Increase) decrease in pledges receivable	10,000	(10,000)
(Increase) decrease in prepaid expense	11,758	5,173
Increase (decrease) in accounts payable	39,605	(54,031)
Increase (decrease) in payroll and related expense	2,479	1,045
Increase (decrease) in deferred revenue	(7,528)	7,528
Net cash provided (used) by operating activities	<u>\$ 272,772</u>	<u>\$ 95,033</u>

The accompanying notes are an integral part of these financial statements.

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2021 and 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities--

Bayside Housing & Services (The Organization) is a not-for-profit corporation organized in 2014. The Organization's mission is to provide transformative services to people in need as they improve their quality of life.

The Organization primarily meets its mission by providing interim housing to individuals as they transition into permanent living situations at a leased facility in Port Hadlock, WA. Priority for housing is given to seniors, veterans, and underemployed/low wage workers who need housing to retain employment.

Basis of Accounting--

The Organization's policy is to prepare its financial statements on the accrual basis of accounting. Revenue is recognized when earned, and expenditures are recognized when incurred. If an expenditure results in an asset having an estimated useful life which extends substantially beyond the year of acquisition, the expenditure is capitalized and depreciated or amortized over the estimated useful life of the asset.

Financial Statement Presentation--

The Organization follows accounting prescribed by the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958 Not-for Profit Entities. Under ASC 958, The Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions, and without donor restrictions.

With Donor Restrictions: Net assets that result from contributions whose use by The Organization is restricted by donor imposed stipulations that may expire with the passage of time or can be fulfilled or otherwise removed by actions of The Organization.

Without Donor Restrictions: Net assets that are not restricted by donor stipulation.

Gifts of goods and equipment are reported as without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

Property and Equipment--

Purchased furniture, equipment, and leasehold improvements are stated at cost. Donated furniture, equipment, or property is recognized as revenue and capitalized at its estimated fair value on the date of receipt. The Organization capitalizes assets that have a useful life greater than one year. Depreciation is computed using the straight-line method based on estimated useful lives.

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2021 and 2020

Estimates--

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expense Allocation--

The Organization records its expenses by function. Program expenses represent expenses incurred to fulfill The Organization's exempt purposes. Management and general expenses support that exempt purpose while fundraising expenses are incurred to raise resources to carry out program activities. Expenses are recorded, when appropriate, to the function receiving direct benefit. When expenses benefit more than one function, an allocation is made based on relative benefits provided to each function.

Cash and Cash Equivalents--

For purposes of the statement of cash flows, The Organization considers all checking and savings accounts and unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Advertising--

The Organization's policy is to expense advertising costs as they are incurred.

Inventory--

Inventory is composed of linens for use in housing and is recorded at cost.

Contributions--

Contributions are recognized when received or when a donor makes an unconditional promise to give to the organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give (pledges receivable) are recognized as revenues in the period the pledge is received. Long term pledges (collection expected in greater than one year) are discounted to the net present value of future cash flows. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

If the restrictions on a contribution are met in the same year that the contribution is received, it is The Organization's policy to record the contribution as without donor restriction on the statement of activities and changes in net assets.

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2021 and 2020

B. ACCOUNTS RECEIVABLE:

Accounts receivable are recorded to the extent of qualifying amounts to be received after year end.

Historically, bad debts have been immaterial. The Organization uses the direct write-off method. When an amount becomes uncollectible, it is charged to expense in the year it is deemed to be uncollectible. During 2021 and 2020 there were bad debts of \$3,143 and \$0, respectively. As of December 31, 2021, management estimated that all accounts receivable were collectible.

The Organization considers accounts more than 90 days outstanding as past due. No interest is charged on past due receivables. The Organization had \$0 past due at December 31, 2021.

C. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The Organization, although it expects to receive current support to fund operations for 2022 and later years, has \$366,580 and \$227,839 of financial assets available within one year of the statement of financial position dates on December 31, 2021 and 2020, respectively, to meet cash needs for general operating expenditures of The Organization.

		<u>2021</u>		<u>2020</u>
Financial assets at year end	\$	366,580	\$	300,351
Donor restricted		-		(72,512)
Financial assets available to meet cash needs within one year	\$	<u>366,580</u>	\$	<u>227,839</u>

D. DEPRECIATION EXPENSE:

Depreciation is provided as follows for 2021 and 2020:

	<u>Method</u>	<u>Life</u>		<u>2021</u>		<u>2020</u>
Buildings and Improvements	Straight Line	5-10 years	\$	1,991	\$	234
Equipment	Straight Line	3-5 years		20,064		715
Totals:			\$	<u>22,055</u>	\$	<u>949</u>

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2021 and 2020

E. LEASES AGREEMENT:

The Organization leases rooms in the Tower Building: a four story, thirty one (31) room building located at the Historic Old Alcohol Plant in Port Hadlock, WA, from Inn Properties, LLC (Inn Properties). Inn Properties ownership includes several members who are also board members of the Organization. The Organization is also entitled to use the media room on the second floor of the Tower Building, equipped with a kitchenette, for food preparation and a room in a separate building on the site for an Organization employee.

The Organization signed a ten (10) year lease with Inn Properties effective January 1, 2016. The lease terms require monthly payments of \$5,000 for the first six months (6), monthly payments of \$7,500 for the next twelve months (12), and \$10,000 per month for the remaining one hundred and two months (102) with an annual increase of 3%. The lease contains an Organization option to extend the lease for one additional ten (10) year term. The lease was formally amended in January of 2020 to increase the total number of rooms being leased to 20 and the base lease cost to \$14,570 per month. The Organization is also able to use additional space, based on need and availability. The Organization recognized \$274,249 and \$230,642 as rent expense on this lease for 2021 and 2020, respectively.

The lease also requires the Organization to pay a prorated share of maintenance, utility, insurance, and property tax costs. The Organization is also reimbursing Inn Properties for use of housekeeping and maintenance staff, preparation of meals used in program activities, and other operating costs. The Organization recognized \$194,809 and \$121,618 in reimbursed expenses during 2021 and 2020, respectively.

The Organization entered into a lease-purchase agreement signed on April 8, 2021, for land in Jefferson County, Washington, which is the site of Pat's Place, a tiny home village built by the Organization to provide housing. The term of the lease is two years, starting May 1, 2021, with an annual lease payment of \$1 and payment of applicable property taxes on the underlying property. The Organization has the option, prior to the lease expiration, to purchase the property for fair market value. The Organization intends to exercise that option.

Future minimum rents, prior to any inkind reductions, for the next five years to be paid under currently executed leases are as follows for the years ending December 31:

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2021 and 2020

2022	185,488
2023	191,052
2024	195,784
2025	201,658
2026	-
Total:	<u>\$ 773,982</u>

F. SUBSEQUENT EVENTS:

On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. COVID-19 has required the Organization to make adjustments to operating practice and delivery of services. Management is closely monitoring the evolution of this pandemic, including how it may affect the economy and the general population.

The Organization signed a purchase and sale agreement in November of 2021, committing to the purchase of real property and improvements located in Port Hadlock, Washington. The property is an existing motel operation which, if the transaction is completed, is to be used by the Organization to provide housing and housing related services. The purchase price is \$2,000,000 and the transaction is contingent on the ability of the Organization to secure grant and/or other financing. In 2022, the Organization was awarded funding from the State of Washington. The purchase is expected to be completed during 2022.

No other events have occurred through May 17, 2022, which is the date the financial statements were available to be issued, based on the Organization's facts and circumstances, for events requiring recording or disclosure in the financial statements for the year ended December 31, 2021.

G. INCOME TAX & UNCERTAIN TAX POSITIONS:

The Organization is a tax exempt non-profit organization under the Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. Accordingly, the financial statements do not include any provision for income taxes.

The Organization files income tax returns in the U.S. federal jurisdiction. The Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2018. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2021 and 2020

The Organization adopted the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, on January 1, 2015. As of December 31, 2021, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

H. NOTES PAYABLE AND RELATED PARTY TRANSACTIONS:

The Organization, detailed in Note E, paid rent and reimbursed costs to Inn Properties.

The Organization received \$188,928 and \$136,130 in cash contributions from board members and affiliated individuals during 2021 and 2020, respectively, which represented approximately 31% and 28% of total contributions received.

The Organization, in addition to cash contributions from board members and affiliated individuals, also received pledges from the same group in the year ended December 31, 2018. Pledges receivable from 2018 were reaffirmed by these individuals during the year ended December 31, 2020, with payment expected in 2023.

The future pledge collections have been discounted to present value using a discount rate of 5%. Future collections of pledges are as follows:

	Current
2022 \$	-
2023	780,000
Discount	<u>(72,517)</u>
Total:	<u>\$ 707,483</u>

Board members and affiliated organizations have also provided, as of December 31, 2021 and 2020, \$141,183 and 135,283 in unsecured loans to The Organization. Notes payable from related parties was the following at December 31, 2021:

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2021 and 2020

Notes Payable To Christopher Eagan (Board Past President)

Note dated May 8, 2015. 6% annual interest, due quarterly.

Note due on demand after 5 years from issuance	\$	20,000
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Three separate notes, all at 5% annual interest, due on demand. Interest due on January 1 of each year.		35,000
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Accrued interest payable:		17,178
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Total Due to Christopher Eagan	\$	<u>72,178</u>
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Notes Payable To Vincent Verneuil (Board Secretary/Treasurer)

Note dated May 20, 2015. 6% annual interest, due quarterly.

Note due on demand after 5 years from issuance	\$	20,000
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Two separate notes, both at 5% annual interest, due on demand. Interest due on January 1 of each year.		20,000
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Accrued interest payable:		13,255
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Total Due to Vincent Verneuil	\$	<u>53,255</u>
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The GK & SK Living Trust (Living Trust of One Original Founder and Board Member and Spouse Who is a Current Board Member)

Note dated December 31, 2017. 5% interest. Due December 21, 2020	\$	15,000
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Accrued interest payable:		750
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Total Due to GK & SK Living Trust	\$	<u>15,750</u>
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Total Related Party Notes Payable	\$	<u>141,183</u>
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Future maturities of notes payable from related parties are as follows for the years ending December 31:

2022		86,183	
2023		-	
2024		-	
2025		-	
2026		-	
Thereafter		<u>55,000</u>	
Total:	\$	<u>141,183</u>	

During 2021 and 2020, the Organization entered into three loan arrangements with the United States Small Business Administration (SBA).

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2021 and 2020

The Organization received a loan for \$19,800 guaranteed by the SBA, funded by Sound Community Bank, under the paycheck protection loan program, a government loan program implemented to address the Covid-19 pandemic. The loan carried an initial term of 24 months, with a stated interest rate of 1%. The loan was eligible for forgiveness if used for payroll and related costs. The Organization used the loan proceeds for costs that qualify for loan forgiveness and recorded the \$19,800 as grant revenue for 2020. The loan was formally forgiven in 2021.

The Organization received a loan for \$38,359 guaranteed by the SBA, funded by Sound Community Bank, under the second round of the paycheck protection loan program, a government loan program implemented to address the Covid-19 pandemic. The loan carried an initial term of 24 months, with a stated interest rate of 1%. The loan was eligible for forgiveness if used for payroll and related costs. The Organization used the loan proceeds for costs that qualify for loan forgiveness and recorded the \$38,359 as grant revenue for 2021. The loan was formally forgiven in 2021.

The Organization received a loan from the SBA under the Economic Impact Disaster Loan program in June of 2020. The loan amount was \$150,000 with a stated interest rate of 2.75% per year on the outstanding balance. Monthly payments of \$641 were due starting June 17, 2021, with a maturity date of June 17, 2050. The start of the loan amortization period has been extended by SBA several times since the original loan was made. Currently the loan is to enter repayment status starting January of 2023. The loan is secured by future revenue and assets of the Organization. Future principal maturities for the next five years under this loan arrangement are as follows:

2022	-
2023	3,562
2024	3,657
2025	3,753
2026	3,853
Thereafter	135,175
Total:	<u>\$ 150,000</u>