
BAYSIDE HOUSING & SERVICES
A Washington Not For Profit Organization

Financial Statements

For the Years Ended December 31, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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

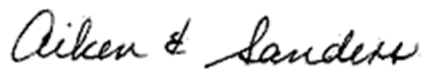
resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a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

June 7, 2024

Montesano, WA

Bayside Housing & Services
A Washington Not For Profit Organization
Statement of Financial Position
As of December 31, 2023 and 2022

Assets	2023	2022
Current Assets:		
Cash and cash equivalents	\$ 164,801	\$ 162,827
Accounts and grants receivable	151,876	151,966
Current portion: pledges receivable	-	-
Current portion: right to use lease asset	297,499	291,127
Prepaid expenses	18,860	6,622
Total Current Assets	633,036	612,542
Fixed Assets:		
Furniture and equipment	8,499	8,499
Office equipment	6,902	6,902
Buildings and improvements	4,684,649	2,670,806
Less: Accumulated depreciation	(196,896)	(83,218)
Fixed Assets, Net	4,503,154	2,602,989
Other Assets:		
Long term portion: right to use lease asset	303,716	601,097
Long term pledges receivable: net of discount	707,483	707,483
Total Other Assets	1,011,199	1,308,580
Total Assets	\$ 6,147,389	\$ 4,524,111
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 398,032	\$ 240,736
Payroll and related accrued expenses	10,932	9,471
Current portion: lease liability	310,980	295,361
Current portion: notes payable	729,745	95,645
Total Current Liabilities	1,449,689	641,213
Long Term Liabilities:		
Long term portion: lease liability	327,209	638,189
Notes payable-net of current portion	1,228,756	200,797
Total Long Term Liabilities	1,555,965	838,986
Net Assets:		
With donor restrictions	-	14,550
Without donor restrictions	3,141,735	3,029,362
Total Net Assets	3,141,735	3,043,912
Total Liabilities and Net Assets	\$ 6,147,389	\$ 4,524,111

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, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Totals</u>
Support and Revenues:			
Contributions	\$ 781,927	\$ -	\$ 781,927
Inkind contributions	197,018	-	197,018
Grant revenue	772,123	-	772,123
Rental revenue	105,446	-	105,446
Special event revenue	130,563	-	130,563
Less: direct donor benefits	(41,300)	-	(41,300)
Investment revenue	(2,053)	-	(2,053)
Service fees and other revenue	2,468	-	2,468
Released from restrictions	14,550	(14,550)	-
Total Support and Revenue	<u>1,960,742</u>	<u>(14,550)</u>	<u>1,946,192</u>
Expenses:			
Program services	1,198,374	-	1,198,374
Management and general	418,178	-	418,178
Fundraising	231,817	-	231,817
Total Expenses	<u>1,848,369</u>	<u>-</u>	<u>1,848,369</u>
Change in Net Assets	112,373	(14,550)	97,823
Net Assets, Beginning of Year	<u>3,029,362</u>	<u>14,550</u>	<u>3,043,912</u>
Net Assets, End of Year	<u>\$ 3,141,735</u>	<u>\$ -</u>	<u>\$ 3,141,735</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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Totals</u>
Support and Revenues:			
Contributions	\$ 691,536	\$ 14,550	\$ 706,086
Inkind contributions	190,431	-	190,431
Grant revenue	2,122,171	-	2,122,171
Rental revenue	110,655	-	110,655
Special event revenue	80	-	80
Investment revenue	(813)	-	(813)
Service fees and other revenue	5,226	-	5,226
Total Support and Revenue	<u>3,119,286</u>	<u>14,550</u>	<u>3,133,836</u>
Expenses:			
Program services	875,229	-	875,229
Management and general	226,037	-	226,037
Fundraising	136,356	-	136,356
Total Expenses	<u>1,237,622</u>	<u>-</u>	<u>1,237,622</u>
Change in Net Assets	1,881,664	14,550	1,896,214
Net Assets, Beginning of Year	<u>1,147,698</u>	<u>-</u>	<u>1,147,698</u>
Net Assets, End of Year	<u>\$ 3,029,362</u>	<u>\$ 14,550</u>	<u>\$ 3,043,912</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, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 286,916	\$ 201,951	\$ 154,024	\$ 642,891
Payroll taxes	31,708	22,318	17,022	71,048
Benefits	11,871	8,356	6,373	26,599
Bank fees and charges	1,164	982	1,412	3,558
Professional services	33,240	45,498	5,440	84,178
Repairs and maintenance	46,958	-	-	46,958
Property tax	1,848	-	-	1,848
Travel	13,284	-	-	13,284
Depreciation and amortization	102,311	11,368	-	113,679
Occupancy	358,302	42,153	21,077	421,532
Technology	15,561	1,831	915	18,307
Insurance	40,486	4,763	2,382	47,630
Interest	64,685	7,187	-	71,872
Dues & subscriptions	1,845	6,107	3,894	11,846
Program expense	44,875	-	-	44,875
Inkind expense	140,369	43,499	3,150	187,018
Bad debt expense	-	11,265	-	11,265
Miscellaneous expense	2,952	10,900	16,129	29,981
Total Expenses	<u>\$ 1,198,374</u>	<u>\$ 418,178</u>	<u>\$ 231,817</u>	<u>\$ 1,848,369</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, 2022

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 194,311	\$ 80,380	\$ 67,087	\$ 341,778
Payroll taxes	23,696	9,977	7,899	41,572
Benefits	5,309	2,235	1,770	9,314
Bank fees and charges	1,091	1,715	1,091	3,897
Professional services	20,178	29,022	2,250	51,450
Repairs and maintenance	24,629	-	-	24,629
Property tax	4,497	-	-	4,497
Travel	4,288	-	-	4,288
Depreciation and amortization	51,797	5,755	-	57,552
Occupancy	325,539	38,299	19,149	382,987
Technology	11,454	1,348	674	13,475
Insurance	13,270	1,561	781	15,612
Interest	5,900	-	-	5,900
Dues & subscriptions	2,014	4,250	4,512	10,776
Advertising	-	-	28,058	28,058
Program expense	59,370	-	-	59,370
Inkind expense	127,886	37,720	3,086	168,692
Bad debt expense	-	9,775	-	9,775
Miscellaneous expense	-	4,000	-	4,000
Total Expenses	<u>\$ 875,229</u>	<u>\$ 226,037</u>	<u>\$ 136,356</u>	<u>\$ 1,237,622</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from grantors, donors and customers	\$ 1,781,352	\$ 2,841,770
Cash paid to vendors and suppliers	(624,592)	(427,889)
Cash paid to and on behalf of employees	(739,077)	(389,839)
Cash paid for interest	(55,016)	-
Cash received from interest	4,202	1,519
Net cash provided (used) by operating activities	<u>366,869</u>	<u>2,025,561</u>
Cash flows from investing activities:		
Cash paid for capital assets	<u>(2,003,843)</u>	<u>(2,179,155)</u>
Net cash provided (used) by investing activities	<u>(2,003,843)</u>	<u>(2,179,155)</u>
Cash flows from financing activities:		
Cash received from loans	1,644,384	-
Cash paid to loans	<u>(5,436)</u>	<u>(641)</u>
Net cash provided (used) by financing activities	<u>1,638,948</u>	<u>(641)</u>
Net increase (decrease) in cash & cash equivalents	1,974	(154,235)
Cash & cash equivalents at beginning of year	<u>162,827</u>	<u>317,062</u>
Cash & cash equivalents at end of year	<u>\$ 164,801</u>	<u>\$ 162,827</u>
Reconciliation of increase (decrease) in net assets to net cash provided (used) by operating activities:		
Increase (decrease) in net assets:	\$ 97,823	\$ 1,896,214
Adjustments:		
Depreciation and amortization	113,679	57,552
Bad debts	11,265	9,775
Capitalized inkind donations	(10,000)	(21,739)
Unrealized loss on short term investments	6,255	2,332
Interest expense additions to loans payable	16,855	5,900
Right to use lease asset reduction	(4,352)	4,937
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(11,174)	(102,447)
(Increase) decrease in pledges receivable	-	-
(Increase) decrease in prepaid expense	(12,239)	(3,759)
Increase (decrease) in accounts payable	157,296	173,971
Increase (decrease) in payroll and related expense	1,461	2,825
Net cash provided (used) by operating activities	<u>\$ 366,869</u>	<u>\$ 2,025,561</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, 2023 and 2022

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 strengthen community through housing, advocacy, and human services supporting social and economic independence.

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. In recent years, The Organization has added additional temporary housing capacity and is developing more permanent housing solutions. 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
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Notes to Financial Statements

December 31, 2023 and 2022

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, 2023 and 2022

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 2023 and 2022 there were bad debts of \$11,265 and \$9,775, respectively. As of December 31, 2023, 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, 2023.

C. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The Organization, although it expects to receive current support to fund operations for 2024 and later years, has \$316,677 and \$300,243 of financial assets available within one year of the statement of financial position dates on December 31, 2023 and 2022, respectively, to meet cash needs for general operating expenditures of The Organization.

	<u>2023</u>	<u>2022</u>
Financial assets at year end	\$ 316,677	\$ 314,793
Donor restricted	-	(14,550)
Financial assets available to meet cash needs within one year	<u>\$ 316,677</u>	<u>\$ 300,243</u>

D. DEPRECIATION EXPENSE:

Depreciation is provided as follows for 2023 and 2022:

	<u>Method</u>	<u>Life</u>	<u>2023</u>	<u>2022</u>
Buildings and Improvements	Straight Line	5-10 years	\$ 112,551	\$ 55,075
Equipment	Straight Line	3-5 years	1,128	2,477
Totals:			<u>\$ 113,679</u>	<u>\$ 57,552</u>

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2023 and 2022

E. LEASE AGREEMENTS:

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 \$306,250 and \$305,701 in payments on this lease for 2023 and 2022, respectively.

The lease also requires the Organization to pay a prorated share of maintenance, utility, insurance, and property tax costs. The Organization also reimbursed Inn Properties for use of housekeeping and maintenance staff, preparation of meals used in program activities, and other operating costs. The Organization recognized \$139,134 and \$123,123 in reimbursed expenses during 2023 and 2022, 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 was 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 had the option, prior to the lease expiration, to purchase the property for fair market value. The Organization exercised that option in 2023.

Effective January 1, 2021, The Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, Leases (Topic 842). The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, The Organization accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842.

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2023 and 2022

As a result of the adoption of the new lease accounting guidance, The Organization recognized on January 1, 2021, (a) a lease liability of \$1,457,665 which represented the present value of the remaining lease payments of \$1,553,188, discounted using the risk free ten year United States Treasury rate of 2.09%, and (b) a right-of-use asset of \$1,457,665, which represented the lease liability.

Lease expense for 2023 and 2022 was \$310,638 and \$310,638, respectively, which included amortization of the right of use asset in excess of the lease liability of (\$4,352) and \$4,937 for 2023 and 2022, respectively.

Future lease payment due under these operating leases are presented below, along with discounts reflected in the lease liability for each year:

	<u>Lease Payment</u>	<u>Discount</u>	<u>Lease Liability</u>
2024	\$ 324,318	\$ 13,338	\$ 310,980
2025	<u>334,048</u>	<u>6,839</u>	<u>327,209</u>
Total:	<u>\$ 658,366</u>	<u>\$ 20,177</u>	<u>\$ 638,189</u>

F. SUBSEQUENT EVENTS:

No events have occurred through June 7, 2024, 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, 2023.

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 2020. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

The Organization adopted the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, on January 1, 2015. As of December 31, 2023, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

Bayside Housing & Services
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Notes to Financial Statements

December 31, 2023 and 2022

H. NOTES PAYABLE AND RELATED PARTY TRANSACTIONS:

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

The Organization received \$134,660 and \$169,133 in cash contributions from board members and affiliated individuals during 2023 and 2022, respectively, which represented approximately 17% and 25% 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, 2023, with payment expected in 2025.

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

	Current	
2024	\$	-
2025		780,000
Discount		<u>(72,517)</u>
Total:	\$	<u>707,483</u>

Board members and affiliated organizations have also provided, as of December 31, 2023 and 2022, \$361,750 and \$141,183 in unsecured loans to The Organization. Notes payable from related parties was the following at December 31, 2023:

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2023 and 2022

Notes Payable To Christopher Eagan (Past Board Past President)

Note dated May 8, 2015. 6% annual interest, due quarterly.	
Note due on demand after 5 years from issuance	\$ 20,000
Three separate notes, all at 5% annual interest, due on demand. Interest due on January 1 of each year.	35,000
Accrued interest payable:	23,078
Total Due to Christopher Eagan	<u>\$ 78,078</u>

Notes Payable To Vincent Verneuil (Past Board Secretary/Treasurer)

Note dated May 20, 2015. 6% annual interest, due quarterly.	
Note due on demand after 5 years from issuance	\$ 20,000
Two separate notes, both at 5% annual interest, due on demand. Interest due on January 1 of each year.	20,000
Note dated February 14, 2023, 5% annual interest, due on demand.	200,000
Accrued interest payable:	26,422
Total Due to Vincent Verneuil	<u>\$ 266,422</u>

The GK & SK Living Trust (Living Trust of One Original Founder and Past Board Member)

Note dated December 31, 2017. 5% interest. Due December 21, 2020	\$ 15,000
Accrued interest payable:	2,250
Total Due to GK & SK Living Trust	<u>\$ 17,250</u>
Total Related Party Notes Payable	<u>\$ 361,750</u>

Future maturities of notes payable from related parties are as follows for the years ending December 31:

2024	\$	361,750
Thereafter		-
Total:	\$	361,750

Bayside Housing & Services
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Notes to Financial Statements

December 31, 2023 and 2022

During May of 2023, the Organization received a loan from a individual supporter of the Organization to assist with a property acquisition. The loan principal of \$300,000 carries an annual interest rate of 5% with an original maturity date of November 15, 2023. The loan is expected to be repaid in full during 2024, with the December 31, 2023 balance of \$300,000 presented as a current liability in the financial records.

The Organization received a loan from Sound Community Bank for \$1,100,000 in July of 2023. The loan has a stated interest rate of 6.63% per year on the outstanding balance which was \$1,094,564 at December 31, 2023. Monthly payments of \$7,056 were due starting August 15, 2023, with a maturity date of July 15, 2033. The loan was used to purchase real property in Port Townsend, WA. The loan is secured by the acquired property.

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. The loan entered repayment status starting December of 2022. The loan is secured by future revenue and assets of the Organization.

Future principal maturities for the next five years under the Sound Community Bank and SBA loan arrangements are as follows:

2024	15,808
2025	16,876
2026	17,875
2027	18,941
2028	20,439
Thereafter	1,154,625
Total:	<u>\$ 1,244,564</u>

I. UNEARNED GRANT AWARDS:

In addition to the amounts presented in the financial statements, the Organization has also been awarded, as of December 31, 2023, capital grant funds totaling \$608,326.65 and operational grant funds totaling \$377,472.02. On January 18, 2024 Bayside was awarded a additional capital grant in the sum of \$8,689,116.00. Composition of awarded unearned grants is as follows:

Bayside Housing & Services
A Washington Not For Profit Organization

Notes to Financial Statements

December 31, 2023 and 2022

RCHA: Rapid Capital Acquisition Program: Commerce: MHU-06 for Woodley Place

Total funds awarded	\$	772,039
Invoiced to 12/31/23		163,712
Remaining funds awarded but not yet earned		<u>608,327</u>

Jeffco Tiny Shelter Village FUND 148 ~ Operations Grant Funding

Total funds awarded	100,000
Invoiced to 12/31/23	-
Remaining funds awarded but not yet earned	<u>100,000</u>

Jeffco Woodley Place FUND 148 ~ Operations Grant Funding

Total funds awarded	212,150
Invoiced to 12/31/23	-
Remaining funds awarded but not yet earned	<u>212,150</u>

Olycap: EHF: Emergency Housing Fund ~ Bayside Towers (Federally Funded)

Total funds awarded	176,459
Invoiced to 12/31/23	136,586
Remaining funds awarded but not yet earned	<u>39,873</u>

Vince's Village - 2023 MHU Multi-Family Rental Projects Funding)

Total funds awarded	8,689,116
Invoiced to 12/31/23	-
Remaining funds awarded but not yet earned	<u>8,689,116</u>

Miscellaneous Unearned Awards 25,449

TOTAL

Total funds awarded	9,975,213
Invoiced to date	300,299
Remaining funds awarded but not yet earned:	<u><u>\$ 9,674,915</u></u>