

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED
JUNE 30, 2007

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
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June 30, 2007

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SINGER LEWAK GREENBAUM & GOLDSTEIN LLP
 Certified Public Accountants & Management Consultants

INDEPENDENT AUDITOR'S REPORT

LOS ANGELES
 10960 Wilshire Blvd
 Suite 1100
 Los Angeles, CA 90024
 Telephone: 310.477.3924
 Fax: 310.478.6070
 877-SLGG-LLP
 (877) 754-4557

To the Board of Directors
 OPCC (formerly Ocean Park Community Center)
 Santa Monica, California

We have audited the accompanying statement of financial position of OPCC (formerly Ocean Park Community Center) ("OPCC") (a nonprofit organization) as of June 30, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of OPCC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 financial statements referred to above present fairly, in all material respects, the financial position of OPCC as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2008 our consideration of OPCC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental Schedule of Activities by Program on page 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Singer Lewak Greenbaum & Goldstein

SINGER LEWAK GREENBAUM & GOLDSTEIN LLP

Los Angeles, California
 January 15, 2008

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OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
 (A NONPROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
 June 30, 2007

ASSETS

Assets

Cash and cash equivalents	\$ 1,410,803
Cash held in trust	196,764
Investments	2,504,423
Receivables from private and government agencies	1,594,348
Pledges receivable	605,071
Prepaid expenses and other assets	121,688
Deferred rent	4,659,091
Property and equipment, net	<u>11,528,703</u>
Total assets	<u>\$ 22,620,891</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$ 883,856
Accrued interest	167,351
Deposits held in trust	196,764
Notes payable	875,770
Notes payable - forgivable	<u>2,600,771</u>
Total liabilities	<u>4,724,512</u>

Commitments

Net assets

Unrestricted	7,585,493
Temporarily restricted	<u>10,310,886</u>
Total net assets	<u>17,896,379</u>
Total liabilities and net assets	<u>\$ 22,620,891</u>

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

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
June 30, 2007

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Revenue			
Government agencies	\$ 4,775,256	\$ 21,000	\$ 4,796,256
Investment income, realized losses, and unrealized gains on investments	52,869	363,170	416,039
Support			
Contributions	436,002	782,461	1,218,463
Contributed goods	84,522	11,140	95,662
Contributed services	306,166	91,308	397,474
Contributed rent	-	266,278	266,278
Special events and mailings	352,137	247,621	599,758
Capital	-	1,268,588	1,268,588
Net assets released from restrictions			
Satisfaction of program restrictions	4,298,623	(4,298,623)	-
	<u>10,305,575</u>	<u>(1,247,057)</u>	<u>9,058,518</u>
Functional expenses			
Program services			
Access Center	1,277,746	-	1,277,746
Campion Mental Health Center	254,440	-	254,440
Sojourn	1,211,850	-	1,211,850
Night Light	91,762	-	91,762
Turning Point Transitional Housing	886,806	-	886,806
Daybreak	1,171,224	-	1,171,224
Safe Haven	743,816	-	743,816
Maryland Apartments	37,267	-	37,267
K9 Connection	134,598	-	134,598
SAMOSHEL / SHWASH LOCK	796,004	-	796,004
Supporting services	981,566	-	981,566
Fundraising	353,176	-	353,176
Capital	593,728	-	593,728
	<u>8,533,983</u>	<u>-</u>	<u>8,533,983</u>
Change in net assets	1,771,592	(1,247,057)	524,535
Net assets at beginning of year	<u>5,813,901</u>	<u>11,557,943</u>	<u>17,371,844</u>
Net assets, end of year	<u>\$ 7,585,493</u>	<u>\$ 10,310,886</u>	<u>\$ 17,896,379</u>

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

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
June 30, 2007

	Program Services														Total	
	Access		Sojourn	Night		Turning		Maryland		SAMOSHEL/		Program	Supporting			Total
	Center	Campion		Light	Point	Daybreak	Safe Haven	Apartments	K9	SHWASH	LOCK		Services	Services		
Personnel expenses																
Salaries	\$ 569,823	\$299,542	\$ 786,331	\$ 53,765	\$ 545,955	\$ 674,412	\$ 477,327	\$ 25,485	\$ 81,665	\$ 478,833	\$ 3,993,138	\$ 671,039	\$ 95,158	\$ 16,131	\$ 4,775,466	
Fringe benefits	111,919	63,748	146,874	14,822	90,176	138,627	95,564	7,164	12,290	110,537	791,721	116,492	12,165	2,261	922,639	
Total personnel expenses	681,742	363,290	933,205	68,587	636,131	813,039	572,891	32,649	93,955	589,370	4,784,859	787,531	107,323	18,392	5,698,105	
Other expenses																
Client	281,183	(131,440)	20,045	10	42,288	55,846	12,923	616	13,094	27,992	322,557	-	-	-	322,557	
Consultants	1,414	1,105	55,700	-	2,614	32,432	43,637	-	913	1,384	139,199	12,865	96,631	122,515	371,210	
Equipment	15,208	472	4,719	5,523	7,000	11,854	9,671	-	1,938	14,506	70,891	20,365	195	152,030	243,481	
Services	2,387	334	26,198	11,499	4,967	2,029	4,064	-	-	50	51,528	61,683	3,283	479	116,973	
Supplies	73,803	3,100	33,175	4,038	86,954	70,332	41,843	196	8,374	73,602	395,417	12,440	16,842	17,284	441,983	
Rent - allocated	-	4,760	4,579	-	27,202	-	-	-	-	-	36,541	5,876	-	(42,417)	-	
Space	210,821	9,984	96,146	1,699	71,223	167,366	44,955	2,694	7,185	88,010	700,083	37,271	-	21,297	758,651	
Public relations	-	-	17,530	-	-	-	-	-	1,865	-	19,395	3,721	5,044	-	28,160	
Travel/Training	3,332	1,077	8,654	400	541	2,410	1,967	-	-	441	18,822	894	1,703	242	21,661	
Staff/Volunteer support	2,893	500	357	-	3,195	1,218	2,978	-	2,290	311	13,742	14,073	170	-	27,985	
Other	3,343	276	2,830	6	1,420	5,525	172	-	191	194	13,957	5,524	3,718	45,936	69,135	
Fundraising	-	-	725	-	-	-	-	-	-	-	725	-	118,267	-	118,992	
Deferred rent	-	-	-	-	-	-	-	-	-	-	-	-	-	90,909	90,909	
Total other expenses	594,384	(109,832)	270,658	23,175	247,404	349,012	162,210	3,506	35,850	206,490	1,782,857	174,712	245,853	408,275	2,611,697	
Total expenses before depreciation and amortization	1,276,126	253,458	1,203,863	91,762	883,535	1,162,051	735,101	36,155	129,805	795,860	6,567,716	962,243	353,176	426,667	8,309,802	
Depreciation and amortization	1,620	982	7,987	-	3,271	9,173	8,715	1,112	4,793	144	37,797	19,323	-	167,061	224,181	
Total functional expenses before allocation of overhead	1,277,746	254,440	1,211,850	91,762	886,806	1,171,224	743,816	37,267	134,598	796,004	6,605,513	981,566	353,176	593,728	8,533,983	
Allocation of administrative overhead	122,217	50,522	150,544	15,458	110,322	188,848	132,361	7,186	10,486	122,449	910,393	(925,851)	15,458	-	-	
Total expenses after allocation of overhead	<u>\$ 1,399,963</u>	<u>\$ 304,962</u>	<u>\$ 1,362,394</u>	<u>\$ 107,220</u>	<u>\$ 997,128</u>	<u>\$ 1,360,072</u>	<u>\$ 876,177</u>	<u>\$ 44,453</u>	<u>\$ 145,084</u>	<u>\$ 918,453</u>	<u>\$ 7,515,906</u>	<u>\$ 55,715</u>	<u>\$ 368,634</u>	<u>\$ 593,728</u>	<u>\$ 8,533,983</u>	

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

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
June 30, 2007

Cash flows from operating activities

Cash received from contributors and grants	\$ 8,604,982
Cash paid to employees and suppliers	(7,883,714)
Interest received	102,071
Interest paid	<u>(130,255)</u>

Net cash provided by operating activities	<u>693,084</u>
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Cash flows from investing activities

Purchase of property and equipment	(1,859,654)
Cash received from sale of investments	3,434,299
Cash paid on purchase of investments	<u>(3,986,520)</u>

Net cash used in investing activities	<u>(2,411,875)</u>
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Cash flows from financing activities

Payments on notes payable	(52,502)
Proceeds from issuance of notes payable	<u>115,796</u>

Net cash provided by financing activities	<u>63,294</u>
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Net decrease in cash	(1,655,497)
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Cash, beginning of year	<u>3,066,300</u>
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Cash, end of year	<u><u>\$ 1,410,803</u></u>
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Supplemental disclosure of cash flow information

Interest expense	<u><u>\$ 130,255</u></u>
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The accompanying notes are an integral part of these financial statements.

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
June 30, 2007

**Reconciliation of change in net assets to net cash
provided by operating activities**

Change in net assets	\$ 524,535
Adjustments to reconcile change in net assets to net cash provided (used in) by operating activities	
Depreciation and amortization	224,181
Loss on disposal of property and equipment	1,261
Net realized and unrealized gains on investments	(240,514)
Contributed rent	90,909
(Increase) decrease in	
Receivables from private and government agencies	(457,147)
Pledges receivable	1,125,387
Prepaid expenses and other assets	(37,039)
Increase (decrease) in	
Accounts payable and accrued expenses	(610,249)
Accrued interest	<u>71,760</u>
Net cash provided by operating activities	<u>\$ 693,084</u>

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

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 1 – GENERAL

Description of Operations

OPCC (formerly Ocean Park Community Center) (“OPCC”) is a nonprofit corporation providing housing and supportive services for homeless youth, adults and families, battered women and their children, and people living with mental illness. OPCC consists of a number of directly operated programs. The various programs are as follows:

Access Center

The Access Center is the primary entry point into the homeless service system, and provides assistance to over 2,400 unduplicated low-income and homeless individuals and families each year.

These services include street outreach, food, clothing, showers and restrooms, medical and mental health treatment, case management, benefits establishment, transportation, referrals to substance abuse treatment and employment services, and placement in emergency, transitional and permanent housing.

Sojourn

Sojourn Services for Battered Women and Their Children provides a refuge from domestic violence through the operation of a 24-hour hotline, a crisis shelter with a comprehensive children’s program, extensive community outreach and education services, and individual and group counseling. Volunteers staff the hotline, work with the children’s program, and provide support services in the Sojourn shelters.

Sojourn has a Second Stage shelter that provides an additional six months of therapeutic services to the residents of Sojourn’s crisis shelter. The program includes a variety of life skills training, counseling, and parenting classes; assistance with securing housing and employment; and a specialized children’s program.

On-Call Emergency Advocate Network (“OCEAN”) provides immediate, in-person crisis intervention, resources, referrals, medical and legal advocacy, emergency transportation, shelter, food and clothing, and follow-up services 24-hours a day, seven days a week in association with law enforcement and medical facilities.

Night Light

Night Light was established in November 1999 to serve the needs of runaway and homeless youth in the Santa Monica and Venice areas. The project provides basic needs and resources to assist the youth in getting off the streets.

Turning Point Transitional Housing

This program provides housing and case management for 55 formerly homeless adults to develop and implement a plan for stabilizing their lives. Each resident has an individualized service plan with the ultimate goal being to move into permanent housing and be self-sufficient.

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 1 – GENERAL (Continued)

Description of Operations (Continued)

Daybreak

Daybreak's two programs provide housing and services to homeless, mentally ill women who live or formerly lived in the parks and public areas of Santa Monica. Showers, laundry facilities, cots for sleeping, meals, social interaction, and social service advocacy are offered seven days a week at the Day Center.

Daybreak Shelter provides women the opportunity to live in a supportive, nurturing environment for up to nine months, as well as permanent housing placement and assistance after leaving the shelter. Daybreak volunteers assist in creating an accepting, warm atmosphere for women seeking services.

Women in New Direction ("WIND")

WIND has become a vital extension of Daybreak's services for current and former clients. Weekly classes in cooking, arts and crafts are provided, as well as social and recreational activities. The community of WIND provides an opportunity for women to connect with each other. The program is designed to be client-centered, which enables the participants to feel a sense of ownership and empowerment.

Campion Mental Health Center

Campion Mental Health Center provides individual and group therapy to clients in all OPCC projects, individuals and families living in the community, as well as clinical support, guidance, and training to the staff at OPCC. Campion specializes in therapeutic counseling services to women, children, adolescents, and families who have experienced or witnessed family violence.

Safe Haven

Using the Community Model, Safe Haven serves chronically homeless men and women who also suffer from severe mental illness and substance addiction. It also provides a range of housing and supportive services, including counseling and substance addiction treatment.

Maryland Apartments

OPCC, in collaboration with A Community of Friends, provides 29 units of permanent housing with supportive services to adults with mental illness and histories of substance addiction ("dual-diagnosed individuals").

K9 Connection

This program supports at-risk youth from ages 12 to 16 through the training of homeless shelter dogs in basic obedience and assisting the dogs to develop skills necessary to become adoptable.

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 1 – GENERAL (Continued)

Description of Operations (Continued)

K9 Connection (Continued)

The program empowers at-risk teenagers to apply the lessons learned to their own lives as they teach the dogs; to develop an awareness of the risks of uncontrolled or impulsive behavior; and to believe in the power of positive reinforcement as an alternative to force and violence. K9 Connection aids teenagers in becoming responsible community members by focusing on goal setting, personal accountability, and personal motivation.

Santa Monica Shelter (“SAMOSHEL”)

This program provides housing and services for 110 homeless individuals with the goal of assisting them in stabilizing their lives through employment and transitioning to permanent housing.

Showers, Washers, and Lockers (“SHWASHLOCK”)

The goal of this program is to help homeless men and women overcome barriers that prevent them from obtaining long-term employment, housing or other financial assistance by providing facilities for basic hygiene and a place to store their belongings on a short-term basis.

Funding

OPCC is funded in part from various ongoing contracts with the City of Santa Monica, the United States Department of Health and Human Services, the Administration for Children & Families, the United States Federal Emergency Management Agency, the United States Department of Housing and Urban Development, the United States Social Security Administration, the State of California, the County of Los Angeles, the City of Los Angeles, Los Angeles County Department of Community & Senior Services, and Los Angeles Community Development Division. Each of OPCC’s primary programs is funded by separate contracts.

These contracts are administered by the City of Santa Monica, the Los Angeles County Department of Mental Health, the Los Angeles County Department of Community and Senior Services, the Los Angeles Community Development Division, the Los Angeles Homeless Services Authority, the Administration for Children & Families, the State Department of Housing and Community Development, the State of California Department of Public Health, Maternal, Child and Adolescent Health Program, the State Office of Emergency Services, the State Department of Mental Health, the Emergency Food and Shelter Program, and the United States Department of Housing and Urban Development.

OPCC receives approximately 53% of its funding from government agencies, funding that is to be expended for the grant purpose. This revenue is recognized as grant-purpose services are being performed by OPCC.

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 1 – GENERAL (Continued)

Description of Operations (Continued)

OPCC also receives private support in the form of restricted and unrestricted donations. OPCC receives approximately 47% of its funding from contributions made from private organizations or individuals and investments. These contributions are recognized as support when received.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statements are presented utilizing the accrual basis of accounting. OPCC reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. (OPCC did not have any permanently restricted net assets at June 30, 2007.)

Grants, Contributions, and Pledges

Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. OPCC classifies donor-restricted contributions as unrestricted support if restrictions are satisfied in the same reporting period in which the contributions are received. Conditional contributions are recorded as support in the period the condition is met. Pledges for future contributions are recorded as receivables and reported at their estimated realizable values.

Government Grants

OPCC receives a portion of its total revenue and support under various governmental grants that pay OPCC based on reimbursable costs as defined by the grants, if any. Reimbursements recorded under these grants are subject to audit. Management believes that material adjustments will not result from subsequent audits, if any, of costs reflected in the accompanying financial statements.

Contributed Services

OPCC receives contributed services from volunteers who provide a variety of program support and services. Management estimated that the fair market value of these services during the year ended June 30, 2007 was \$397,474.

OPCC rents facilities from the City of Santa Monica. During the year ended June 30, 2007, OPCC was not charged any rent for the Daybreak Center. The Access Center and the Daybreak Shelter shared the same facility for the period from July 2006 through December 2006.

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services (Continued)

In January 2007, the Daybreak Shelter moved to the Cloverfield facility. Management has estimated that for the current year, the fair market value of this rent would be \$160,134 for the Access Center, \$52,144 for the Daybreak Shelter, and \$54,000 for the Daybreak Center. These amounts have been reflected in the financial statements as revenue and expenses. Total donated rent was \$266,278 for both facilities during the year ended June 30, 2007.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets after the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Deferred Rent

OPCC entered into a lease agreement, whereby OPCC is leasing a building rent free until 2058 (see Note 7). Deferred rent is recorded at the estimated net present value of rent for the facility covered by the lease agreement.

Under FASB Staff Position (“FSP”) No. 13-1, “*Accounting for Rental Costs Incurred during a Construction Period*,” rental costs associated with ground or building operating leases incurred during a construction period must be recognized as rental expense. A lessee must then follow the guidance in FASB Statement No. 13, “*Accounting for Leases*,” and FASB Technical Bulletin No. 85-3, “*Accounting for Operating Leases with Scheduled Rent Increases*,” to determine the allocation of rental costs over the lease term. The guidance in the FSP must be applied to the first reporting period beginning after December 15, 2005. As a result of this FSP, OPCC started amortizing its deferred rent over the remaining period of the lease in 2005.

Property and Equipment

Property and Equipment is recorded at cost. Additions and improvements that materially extend the lives of assets are capitalized and recorded at cost. OPCC provides for depreciation and amortization using the straight-line method over the estimated useful lives of the depreciable assets, commencing when the asset is placed in service as follows:

Building and building improvements	40 years
Furniture and equipment	5 years
Leasehold improvements	useful lives or lease term, whichever is less

When property and equipment are disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and the resulting gain or loss on disposition is reflected in operations.

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long Lived Assets

In accordance with FASB Statement No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, OPCC records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. During fiscal year 2007, there were no events that would cause OPCC to recognize an impairment of assets.

Deposits Held in Trust

Deposits held in trust represent monies held by OPCC on behalf of certain clients of the Turning Point program, Daybreak Shelter program, and the SAMOSHEL program.

Functional Allocation of Expenses

The costs 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 programs and supporting services benefited.

Income Taxes

OPCC is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California. In addition, under 509(a) of the Internal Revenue Code, OPCC is not a private foundation.

Use of Estimates

The preparation of financial statements 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – CASH AND CASH EQUIVALENTS

OPCC maintains cash deposits at four banks located in California. Deposits at each bank are insured by the Federal Deposit Insurance Corporation up to \$100,000. At times, cash balances are in excess of the insured limit. As of June 30, 2007, the uninsured cash balance was \$1,561,876.

NOTE 4 – CASH HELD IN TRUST

Included in cash held in trust are accounts which OPCC maintains on behalf of certain clients of Turning Point, Daybreak Shelter, and SAMOSHEL until these clients are self-sufficient and/or leave the program. At June 30, 2007, cash balances related to these three bank accounts aggregated to \$196,764.

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 5 – INVESTMENTS

Investments at June 30, 2007 consisted of fixed income and equity securities and are stated at fair market value. Investments at June 30, 2007 are summarized as follows:

	<u>Fair Market Value</u>	<u>Unrealized Gains (Losses)</u>	<u>Cost</u>
Fixed income securities	\$ 1,334,054	\$ 11,205	\$ 1,322,849
Equity securities	<u>1,170,369</u>	<u>(4,346)</u>	<u>1,174,715</u>
Total	<u>\$ 2,504,423</u>	<u>\$ 6,859</u>	<u>\$ 2,497,564</u>

NOTE 6 – PLEDGES RECEIVABLE

At June 30, 2007, pledges are expected to be received as follows:

Within one year or less	\$ 308,876
Between one year and four years	<u>296,195</u>
Total	<u>\$ 605,071</u>

NOTE 7 – DEFERRED RENT

In September 2003, OPCC entered into a 55-year lease with City of Santa Monica to lease the Cloverfield Services Center. Under the terms of the lease, OPCC pays rent of \$1 each year for 55 years. The Lessor, the City of Santa Monica, purchased the building with the specific intent to lease it to OPCC under this arrangement. The cost of the building was \$5,000,000. Accordingly, OPCC recorded the below-market lease as a deferred rent asset and as a temporarily restricted contribution, restricted as to time, at June 30, 2004. OPCC started amortizing the deferred rent asset over the remaining period of the lease in 2005.

OPCC
(FORMERLY OCEAN PARK COMMUNITY CENTER)
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NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2007 consisted of the following:

Land	\$ 2,330,000
Building and building improvements	3,448,733
Furniture and equipment	590,692
Leasehold improvements	<u>6,831,429</u>
	13,200,854
Less accumulated depreciation and amortization	<u>1,672,151</u>
Total	<u>\$ 11,528,703</u>

Depreciation and amortization expense amounted to \$224,181 for the year ended June 30, 2007.

The major construction of the Cloverfield property, which commenced in March 2005, was completed in November 2006. A dedication for the new Cloverfield Services Center was held on November 16, 2006. The building was placed in service in January 2007.

NOTE 9 – CAPITAL CAMPAIGN

During fiscal year 2007, OPCC was engaged in a capital campaign to raise funds for the construction of two new homeless services facilities, initial operations, and endowment of the Cloverfield Services Center and the OPCC Annenberg Access Center. These facilities were completed in November 2006 and September 2007, respectively. The capital campaign increased revenues and expenses for the beginning of the year ended June 30, 2007 as shown in the accompanying Statements of Activities and Functional Expenses.

NOTE 10 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at June 30, 2007 consisted of the following:

Due to contractor for the construction of Cloverfield property	\$ 458,463
Accrued vacation	279,989
Other	<u>145,404</u>
Total	<u>\$ 883,856</u>

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NOTE 11 – LINE OF CREDIT

OPCC has a \$400,000 line of credit available to it from Northern Trust Bank, NA. The line of credit has not been used as of June 30, 2007. The interest rate for the line of credit is the Prime rate plus a margin of 1.50%. The line of credit is renewed annually upon OPCC paying the annual fee and the bank's review of OPCC's financial statements.

NOTE 12 – NOTES PAYABLE

Notes payable at June 30, 2007 consisted of the following:

Note payable to Low Income Investment Fund, secured by the land and property of Sojourn's Annex. The note is payable in monthly installments of \$3,006 and bears interest at 7.5% per annum. Principal and interest are due on February 1, 2016.	\$ 398,654
Note payable to Northern Trust Bank, secured by the land and property of OPCC's administrative headquarters. The note is payable in monthly installments of \$3,535 and bears interest at 5.75% per annum. Principal and interest are due on July 20, 2012.	477,116
Note payable to Los Angeles Housing Department, secured by the land and property of Sojourn's Adams House. The note payable is non-interest-bearing and will be repaid in the form of services provided by OPCC to the victims of domestic violence at a rate of \$32,500 per year or \$2,708 per month. The loan is due and payable in full no later than August 1, 2022.	503,750
Program loan payable to the City of Santa Monica. The note payable bears interest at 5.98% per annum, and payment of principal and interest will be made from residual receipts, which are defined as net rent and laundry income after deducting operating expenses, commencing September 30, 2005. The note is due and payable in full over a 55-year period. At the end of the 55th year, the remaining balance will be forgiven in full provided that OPCC remains in compliance with the terms of the regulatory agreement.	1,367,351

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NOTE 12 – NOTES PAYABLE (Continued)

Notes payable at June 30, 2007 consisted of the following: (Continued)

Note payable to Redevelopment Agency of the City of Santa Monica. The note payable is non-interest-bearing and will be repaid by OPCC in the form of congregate housing and emergency shelter for low-income people over a 55-year period. At the end of the 55th year, the remaining balance will be forgiven in full provided that OPCC remains in compliance with the terms of the regulatory agreement.	<u>\$ 897,021</u>
	3,643,892
Less forgivable portion	2,600,771
Less accrued interest payable	<u>167,351</u>
Total	<u>\$ 875,770</u>

Future maturities of notes payable at June 30, 2007 were as follows:

<u>Year Ending</u> <u>June 30,</u>	
2008	\$ 71,259
2009	71,557
2010	73,041
2011	74,623
2012	76,245
Thereafter	<u>3,277,167</u>
Total	<u>\$ 3,643,892</u>

NOTE 13 – COMMITMENTS

Leases

OPCC has entered into operating lease agreements for the OPCC Annenberg Access Center, the Sojourn Shelter and certain office equipment. Future minimum rental commitments under these operating leases at June 30, 2007 were as follows:

<u>Year Ending</u> <u>June 30,</u>	
2008	\$ 89,057
2009	25,701
2010	<u>6,921</u>
Total	<u>\$ 121,679</u>

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NOTE 13 – COMMITMENTS (Continued)

Rent expense for the year ended June 30, 2007 was \$80,871.

At June 30, 2007, the Access Center and Daybreak Shelter programs were renting facilities from the City of Santa Monica. The City of Santa Monica owns both the OPCC Annenberg Access Center and the Cloverfield Services buildings. As of June 30, 2007, the two programs combined represented 30% of total revenue and 28% of functional expenses.

NOTE 14 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2007 were available for the following purposes:

	Available June 30, 2006	New Revenues	Expenditures	Available June 30, 2007
Access Center	\$ 703	\$ 222,572	\$ (213,051)	\$ 10,224
Campion Mental Health Center	25,000	-	(25,000)	-
Sojourn	2,250,068	836,838	(562,769)	2,524,136
Night Light	107,627	2,201	(20,760)	89,068
Daybreak	200,000	106,144	(183,926)	122,218
K9 Connection	28,041	164,920	(145,082)	47,879
Capital	4,190,245	1,698,891	(3,050,866)	2,838,270
Deferred rent	4,750,000	-	(90,909)	4,659,091
Agency	6,259	20,000	(6,260)	20,000
Total	<u>\$ 11,557,943</u>	<u>\$ 3,051,566</u>	<u>\$ (4,298,623)</u>	<u>\$ 10,310,886</u>

The Declaration of Trust from the Sojourn Trust states that the interest income is restricted to support the programs operated by Sojourn Services for Battered Women and Their Children. The Board of Directors of OPCC may petition the trustee, Northern Trust, NA, to disburse principal from the trust to be used for specific purposes related to Sojourn. The trustee has the final authority on whether or not to approve principal distribution. OPCC has the final authority on the selection of the trustee.

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NOTE 15 – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2007, OPCC received \$139,842 in cash donations from its Board of Directors and \$11,788 in cash donations from its employees.

NOTE 16 – RETIREMENT PLAN

OPCC offers its employees the opportunity to participate in a 403(b) retirement plan (the “Plan”), which represents an annuity contract purchased from ING Life Insurance and Annuity Company. Employees are eligible to contribute to the Plan immediately upon hire and may contribute a maximum amount as permitted by law per year. Employer contributions to the Plan are not required.

SUPPLEMENTAL INFORMATION

OPCC
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STATEMENT OF ACTIVITIES BY PROGRAM
June 30, 2007

	Program Services										Capital and Deferred Rent	Supporting Services and Fundraising	Total
	Access Center	Campion	Sojourn	Night Light	Turning Point	Daybreak	Safe Haven	Maryland Apartments	K9	SAMOSHEL/ SHWASH LOCK			
Revenue and support													
Revenue													
Government agencies	\$ 732,390	\$ 37,155	\$ 803,409	\$ 86,461	\$ 724,474	\$ 945,183	\$ 783,273	\$ -	\$ -	\$ 683,911	\$ 3,945	\$ -	\$ 4,800,201
Investment income, realized losses, and unrealized gains on investments	-	-	280,024	-	-	-	-	-	-	-	83,147	52,868	416,039
Support													
Contributions	379,596	41,856	249,467	2,201	32,983	105,315	84,831	15,000	117,173	17,032	1,264,643	173,009	2,483,106
Contributed goods	24,161	-	11,140	-	4,462	11,096	-	-	-	44,803	-	-	95,662
Contributed services	78,540	-	77,308	-	135,030	44,940	-	-	14,000	47,656	-	-	397,474
Contributed rent	160,134	-	-	-	-	106,144	-	-	-	-	-	-	266,278
Special events and mailings	31,945	2,485	213,899	-	41,662	46,855	-	-	33,748	-	-	229,164	599,758
Total revenue and support	<u>1,406,766</u>	<u>81,496</u>	<u>1,635,247</u>	<u>88,662</u>	<u>938,611</u>	<u>1,259,533</u>	<u>868,104</u>	<u>15,000</u>	<u>164,921</u>	<u>793,402</u>	<u>1,351,735</u>	<u>455,041</u>	<u>9,058,518</u>
Program services	1,399,963	304,962	1,362,394	107,220	997,128	1,360,072	876,177	44,453	145,084	918,453	-	-	7,515,906
Supporting services and fundraising	-	-	-	-	-	-	-	-	-	-	593,728	424,349	1,018,077
Total functional expenses	1,399,963	304,962	1,362,394	107,220	997,128	1,360,072	876,177	44,453	145,084	918,453	593,728	424,349	8,533,983
Net assets at beginning of year	<u>(377,091)</u>	<u>(725,121)</u>	<u>2,318,366</u>	<u>39,369</u>	<u>(179,731)</u>	<u>(293,999)</u>	<u>116,832</u>	<u>(68,759)</u>	<u>28,039</u>	<u>(91,133)</u>	<u>10,039,683</u>	<u>6,565,389</u>	<u>17,371,844</u>
Net assets, end of year	<u>\$ (370,288)</u>	<u>\$ (948,587)</u>	<u>\$ 2,591,219</u>	<u>\$ 20,811</u>	<u>\$ (238,248)</u>	<u>\$ (394,538)</u>	<u>\$ 108,759</u>	<u>\$ (98,212)</u>	<u>\$ 47,876</u>	<u>\$ (216,184)</u>	<u>\$ 10,797,690</u>	<u>\$ 6,596,081</u>	<u>\$ 17,896,379</u>

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